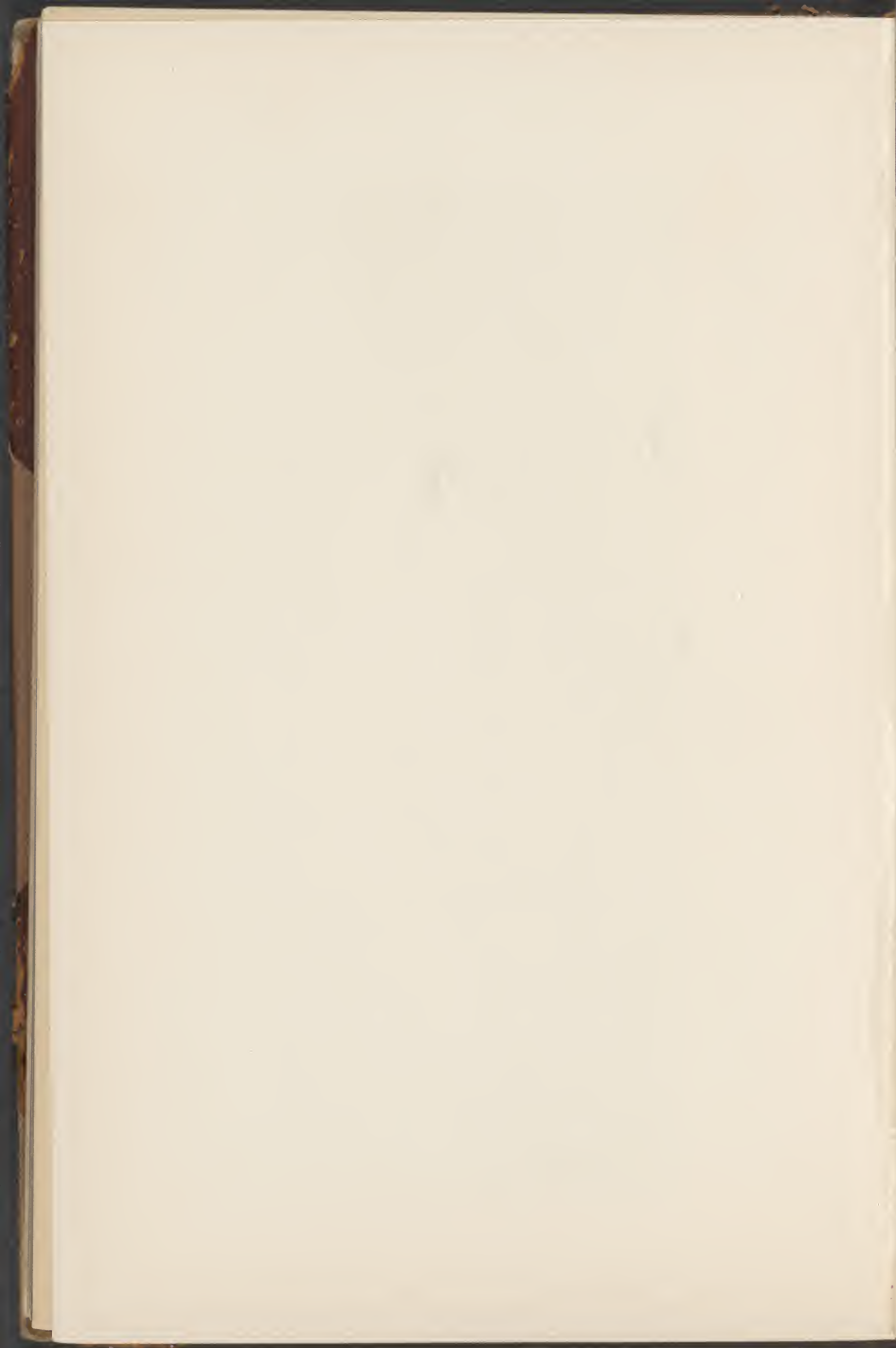
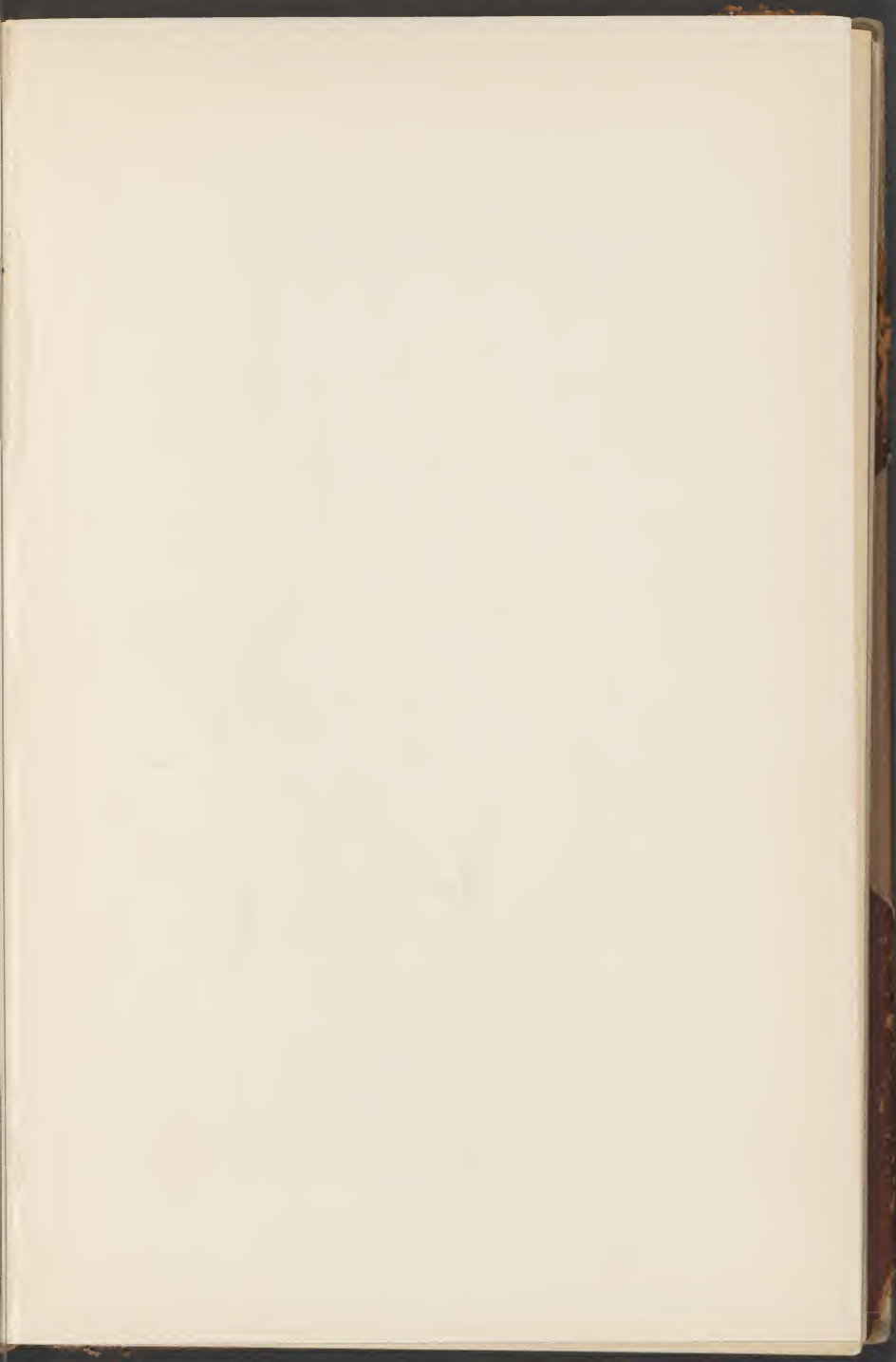
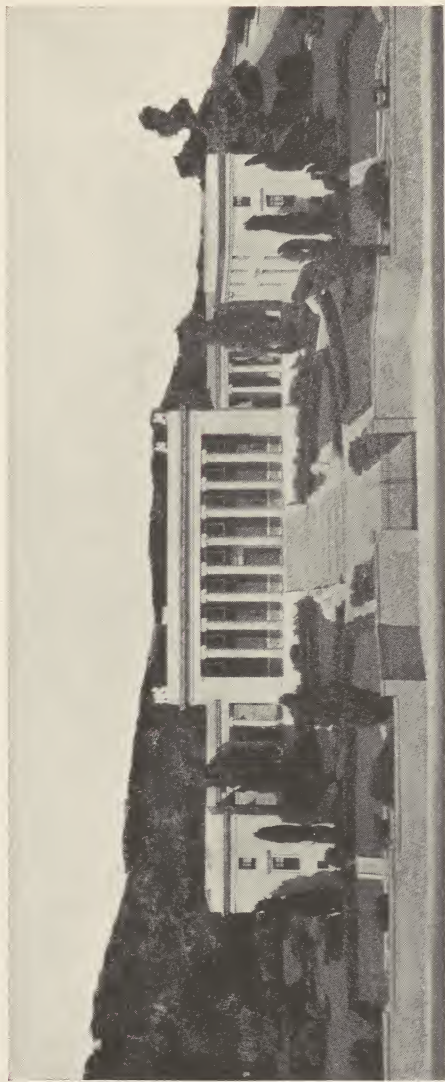




1923







#### THE GENNADEION

*A gift to the American School of Classical Studies at Athens, Greece, to house the great library collected by Mr. Johannes Gennadius and his father. This project was fully described in the report of the Corporation for 1922. It is expected that the building will be ready for dedication in May, 1924. The design is an admirable study of the classical type, by W. Stuart Thompson, a graduate of the American School of Classical Studies*

THE CARNEGIE CORPORATION OF NEW YORK

REPORT OF THE ACTING PRESIDENT

FOR THE YEAR ENDED SEPTEMBER 30, 1923

NEW YORK CITY  
522 FIFTH AVENUE

1923

D. B. UPDIKE • THE MERRYMOUNT PRESS • BOSTON



## OFFICERS OF ADMINISTRATION

1922-1923

ELIHU ROOT	<i>Chairman of the Board</i>
ROBERT A. FRANKS	<i>Vice-Chairman and Treasurer</i>
HENRY S. PRITCHETT	<i>Acting President</i>
JAMES BERTRAM	<i>Secretary</i>
WILLIAM S. LEARNED	<i>Assistant to the President</i>

1923-1924

ELIHU ROOT	<i>Chairman of the Board</i>
ROBERT A. FRANKS	<i>Vice-Chairman and Treasurer</i>
FREDERICK P. KEPPEL	<i>President</i>
JAMES BERTRAM	<i>Secretary</i>

## TRUSTEES

JAMES BERTRAM	FREDERICK P. KEPPEL
LOUISE M. CARNEGIE	RUSSELL C. LEFFINGWELL
JOHN J. CARTY	JOHN C. MERRIAM
SAMUEL HARDEN CHURCH	JOHN A. POYNTON
ROBERT A. FRANKS	HENRY S. PRITCHETT
WILLIAM J. HOLLAND	ELIHU ROOT



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REPORT OF THE ACTING PRESIDENT



# CARNEGIE CORPORATION OF NEW YORK

## REPORT OF THE ACTING PRESIDENT

FOR THE YEAR ENDED SEPTEMBER 30, 1923

IN accordance with the directions of the trustees, a report of the proceedings of the Carnegie Corporation for the year 1923 is presented herewith. The fiscal year begins on October 1. The period covered by this report, therefore, is the year ended September 30, 1923.

During the past two years, the trustees of the Corporation have sought carefully for a president. This object was happily accomplished by the election on December 22, 1922, of Dr. Frederick P. Keppel to this important and responsible post. President Keppel comes to his high duties with a varied and interesting experience, as dean in a great university, as assistant secretary of war, and with executive service in the Red Cross and the International Chamber of Commerce. He entered upon his duties October 1, 1923.

On October 1, 1922, the assets of the Corporation amounted in par value of securities to \$133,054,791.58. Of this sum, \$125,534,997.06 constitutes the par value of the original endowment, which includes \$100,000,000 par value of the first mortgage five percent. bonds of the United States Steel Corporation. The remaining par value of securities in hand at the beginning of the year consisted of \$1,458,969.49 in the Reserve Fund and \$6,060,825.03 in securities accumulated out of income. These assets of the Corporation will be increased upon the final settlement of Mr. Carnegie's estate by approximately \$10,000,000.

The income of the Corporation from all sources during the current year has amounted to \$6,935,346. This includes \$400,000 paid into the treasury of the Corporation by the ex-



ecutor of Mr. Carnegie's estate. The disposition of this income by the trustees is described in subsequent pages.

### INCREASE IN THE MEMBERSHIP OF THE BOARD OF TRUSTEES

As set forth in the last report, the Carnegie Corporation of New York, founded in 1911, was for the first eight years of its history under the personal direction of the Founder, who was himself president of the Corporation. The board consisted originally of eight trustees, five of whom were *ex-officiis*—the presidents of the five American foundations created by Mr. Carnegie. The remaining three members were Mr. Carnegie, and the treasurer and the secretary of the Corporation appointed by him. Under the by-laws these places were to be filled, in the case of vacancies, by vote of the board.

When the board came to deal with the problem of administering the great endowment for the purposes set forth by the Founder, it became convinced of the wisdom of increasing the number of trustees, in order to have the benefit of the judgment of men of wide diversity of views and of varying experience.

At their meeting on November 16, 1922, therefore, the trustees voted to amend the by-laws so as to enlarge the membership of the board to fifteen. This action provided for five additional members, the president elect of the Corporation having been made *ex-officio* a trustee during the period prior to his term of service, and one member having been already added to the original number.

By unanimous vote of the members of the Board, General John J. Carty was elected trustee on April 16, 1923, to fill one of the five additional places on the Board created by the Corporation November 16, 1922.<sup>1</sup>

At the same meeting at which the board of trustees amended

<sup>1</sup> On November 22, 1923, Mr. Russell C. Leffingwell was also unanimously elected a trustee of the Corporation.



the by-laws to increase its membership, it also took action upon another matter of great importance. In his original organization of the board, Mr. Carnegie had provided for the payment to each trustee of five thousand dollars a year for his services. At that time the board contained only eight members; and there was no paid chief executive whose duty it was to supervise the work of the Corporation and to prepare for the consideration of the trustees all matters brought before them for their action. In view of the increased membership, and in view also of the fact that the business of the board now comes to the trustees in large measure through the president's office, — so that their duties are analogous to those of other similar boards, — it was voted to discontinue the payment to the trustees for their services with the year beginning October 1, 1922. The necessary expenses of trustees in attendance upon the meetings are, of course, borne by the Corporation.

#### FINANCIAL ADMINISTRATION OF TRUST FUNDS

THE financial responsibilities of trustees in the administration of endowments constitute no small part of their duties. Particularly is this true in the case of a public trust fund, of which the income only can be spent, and which, under its constitution and charter, is intended to be a perpetual agency for good.

The problem is an old one: in European countries, and particularly in England, trust funds are in existence that have been administered for hundreds of years, and the literature pertaining to them is extensive. Among the duties of those charged with the administration of such trusts is the secure custody of the funds committed to their care.

In some of the older trusts in England donors have directed that the funds be kept permanently invested in certain safe securities, such as the obligations of the governments of their own countries. The hopes of the founders have not always been ful-

filled by the adoption of this conservative policy of investment. Even governmental securities have sometimes gone awry.

One of the most interesting experiments ever tried in the building up of such endowments is found in the unique trusts established by Benjamin Franklin in his will, for the benefit of the citizens of the two cities in which he was chiefly interested: Boston, the city in which he was born; and Philadelphia, the city in which he lived.

Franklin devised by will and entrusted to certain designated trustees in each of these cities the sum of £1000, to remain at interest for a hundred years. Franklin estimated that the sum would amount to £131,000 at the end of that period; and he directed that £31,000 should remain at interest for another hundred years and that £100,000 should "be laid out in public works, fortifications, bridges, aqueducts, public buildings, baths, etc., or whatever may make living in the town more convenient to its people and render it more agreeable to strangers resorting thither for health or a temporary residence."

Franklin died in 1790; and the history of the two funds provides an interesting contrast in the chances that may befall a trust fund under varying conditions and forms of administration. At the end of the first one hundred years the Philadelphia Fund amounted to approximately £18,480, while the Boston Fund amounted to £88,501. The many factors involved in bringing about these widely divergent results constitute a tale of two cities no less significant than the history of the funds themselves.

The administration of a permanent endowment of the magnitude of that created by Mr. Carnegie involves a serious financial responsibility and calls for a far larger view of investment questions than is involved in the ordinary custody of trust funds. The trustees are under obligation to preserve intact the great endowment committed to their hands. This cannot be accomplished by merely purchasing securities, even when recommended by financial experts, storing these in a deposit vault, and using the

income for the purposes of the trust. No expert advice can predict with certainty the financial soundness of securities, ten, twenty, fifty years hence.

Nor could the trustees discharge their whole obligation by simply investing the entire endowment in government securities and accepting the low rate of interest which would accrue from such an investment. That would be a simple method of discharging their obligations, but it would be purchasing protection—possibly—at too high a price.

The securities belonging to the Carnegie Corporation, which were entrusted to it by the Founder, include approximately one hundred and forty millions par value of bonds, and of these one hundred millions par value are in the underlying first mortgage bonds of the United States Steel Corporation. Under the charter of that Corporation, these bonds are being retired at an increasing rate from year to year; hence in the perpetuation and in the preservation of the endowment there will confront the Carnegie Corporation each year for many years to come an investment problem of considerable magnitude and of the very greatest importance.

The trustees have given careful thought to the problem involved in their effort to preserve for future generations the magnificent endowment which the Founder of the Corporation placed in their hands. In seeking to do this they have naturally availed themselves of the most expert advice to be had in the City of New York in the matter of investments. But even experts in constant touch with the more conservative securities available for investment differ with regard to their relative safety and desirability. A few years ago the best railroad bonds were almost universally recommended to the trustees of endowments as the safest long-term securities. The best of these bonds are still so recommended; but almost the only point upon which financial experts are agreed is that there must be a certain diversity of investment, and that other securities than those of rail-

road indebtedness must be included in the holdings of even the most conservative trusts.

The experience of the trustees of the Corporation has indicated two essential principles as underlying a wise policy for the safeguarding of such funds. To attain security of a high order and to ensure a reasonable income for trust funds, investments must be made under the advice of those whose business it is constantly to examine the details of the income and management of the enterprises in which the funds are invested. A committee of trustees whose fundamental notions of investments and of financial security are absolutely sound and correct is, nevertheless, not in a position to say whether securities *a*, *b*, or *c*, ought to be purchased at a given moment. This information can be had only through the agencies that are scrutinizing constantly the details of administration and financial management of the various undertakings.

In the second place, even such expert purchase of securities is a safeguard only for the present. The funds of a great endowment can be kept intact only by a systematic revision month by month of all the securities of the endowment and by a continuous process of sale and exchange as circumstances may affect the financial soundness of this or that security which the trust holds. It is only by this constant scrutiny, on the part of those who are competent to follow the administration of the various enterprises whose paper is held, that safety can be assured. There has perhaps never been a time in the history of the world when experts in investments were less sure in their own minds as to just what form of investment is likely to prove, in the long run, most secure and most desirable. The price, both of security and of a fair income yield, is a vigilant watchfulness over all the investments of an endowment by those in a position to know the facts concerning them.



## THE USE AND ABUSE OF ENDOWMENTS

THE earlier economists, and particularly Adam Smith in England and Turgot in France, had grave doubts of the wisdom of permanent endowments even for educational purposes. Adam Smith, while he admitted the advantages of a school foundation for elementary education, argued that education and religion would develop more wisely if left to make their way, as other causes, in accordance with the demands and desires of those composing the social group. He argued that endowments eventually exercised a soporific influence upon the minds and ambitions of those supported by them. "Were there no public institutions for education, no system, no science would be taught for which there was not some demand, or which the circumstances of the time did not render it either necessary or convenient or at least fashionable to learn. A private teacher could never find his account in teaching either an exploded and antiquated system of a science acknowledged to be useless, or a science universally believed to be a mere useless and pedantic heap of sophistry and nonsense. Such systems, such science can subsist nowhere but in those incorporated societies for education, whose prosperity and revenue are in a great measure independent of their reputation, and altogether independent of their industry."

Adam Smith's argument against the wisdom of subsidizing education and religion called forth energetic replies on the part of other thinkers. One of the most careful of these was that by the famous Dr. Thomas Chalmers, Professor of Moral Philosophy in the University of St. Andrew's, under the title, *The Use and Abuse of Endowments*. Dr. Chalmers' argument had to do wholly with literary and ecclesiastical endowments, and particularly with the latter. In presenting his argument for an established church, he finds it unnecessary to consider the case of the United States, the only large country which had no such establishment. The experience in the United States, he concluded,

was at best doubtful (he wrote in 1827), and in any case the United States was "a dim and distant region."

It is to be remembered, when one considers the objections of the earlier economists to endowments, that they stood near, in time, to the exposure of the widespread demoralization and abuses that had grown up through the great number of endowments and livings gathered into the control of the Church. The Reformation had focused a searching light upon these abuses, and was already beginning to show that in the very structure of the Church the tendencies that go with organization were beginning to produce unsuspected weaknesses. Society had had an experience of the uncontrolled accumulation of charitable and ecclesiastical funds which, naturally enough, caused thoughtful men to look with suspicion upon such endowments.

The charitable foundations constituted in the United States in the past two or three decades are not open to the objections made against these older foundations. They have been established in nearly every case to serve certain definite and stated causes. They are, in the second place, invariably creatures of the law and incorporated under definite charters either by the Congress of the United States or by the legislature of some state. They have, in the third place, universally adopted a policy of frank publicity with respect to the disposition of their funds. Finally, they have differed sharply from the older charitable foundations in the fact that the founders of such trusts have called to their governing boards men, not only of ability and character, but whose concern in the administration of the trust is completely disinterested. In other words, those who have created the great charitable endowments in our country have taken all the precautions which experience would suggest to avoid the objections anticipated by the older economists and to meet such complaints as arose against the older charitable trusts of European countries.

There is little in the history of European charitable trusts to throw light upon what may be expected to take place with regard

to trusts in the United States. The formation of such trusts appears to be directly related to the strength of individualistic tendencies in citizenship. Where a paternal government takes over the entire regulation of the economic and cultural life of a people, such charitable trusts will be few. In France the Revolution put an end to individualism, and since that time the supervision of the State has been so minute and detailed as to discourage charitable establishments. Present-day French writers on economic subjects deplore this fact.

The only country in which such trusts have developed through a long period of time is England. The history of charitable establishments and the reasons why they have been brought under the strict supervision of government are interesting features in the development of these agencies.

A "charitable trust" in the legal sense in England is one that exists for some eleemosynary, educational, religious, or governmental purpose; that has an undefined beneficiary; and that constitutes a perpetuity. All endowments existing for purposes similar to those of the so-called philanthropic foundations in the United States would, therefore, come under this description.

The practical regulation of charitable trusts in England began with Lord Brougham's commissions of 1816-37. There were at first ten commissioners, later twenty; half of them were in Parliament. They were divided into small boards, and took testimony and made investigations in all parts of England and Wales.

It is interesting to note that the following charitable trusts were exempt from investigation:

1. The universities of Oxford and Cambridge; the colleges of Westminster, Eton, and Winchester; the schools of Harrow and Rugby; and the Corporation of Trinity House.

2. All charities having special visitors, governors, or officers appointed by the founder. Such charities were, however, included in 1831, and among them were found some of the worst cases of abuse.

3. Charities instituted wholly or principally for the benefit of Jews or Quakers, as well as those wholly or principally supported by voluntary subscriptions.

The detailed reports of these commissions respecting the widely diverse charitable trusts brought out, as might well have been expected, numerous weaknesses and breaches of trust.

For example, nearly all of the charitable funds in London were, in 1828, under the control and management of some ninety-one city companies, and their annual income amounted to £138,583. One of these charities, St. Paul's School, London, was founded by John Colet, Dean of St. Paul's, and came into the hands of the Mercers' Company at his death in 1524. At that time the members of the Mercers' Company were mercers. In 1828 they were mostly merchants, bankers, and insurance brokers. In 1524 the endowment produced an annual income of £122. In 1820 it produced an income of £5252. The examination of the administration of the Mercers' Company in 1828 showed that in 1804 the Company had spent £34,600 of the surplus revenue of the school in speculations, loans, and other ways having no bearing on the institution. In 1828 this was being repaid at the rate of £1000 annually and invested in public funds. The management of the school estate, as carried out by the Mercers' Company, was in the hands of two annually elected officers called the surveyor-accountant and assistant surveyor. Salaries to the four masters of the school were respectively £600, £300, £220, and £200, making with emoluments a total cost for instruction of £1513. The officers representing the Mercers' Company were paying a late "highmaster" a pension of £1000 annually, an amount bearing an unusual relation to the salary of £600 paid to the active highmaster. In spite of the increase in the endowment, under the administration of the Mercers' Company, the attendance at the school had been allowed to stand at the number fixed in Colet's time, 153, adopted because of the number of fish taken in St. Peter's famous catch!



As a matter of fact, the abuses were far from being universal; but the absence of any strict oversight and, most of all, the management of trust funds by trustees not chosen for that purpose alone, and quite unprepared to judge wisely as to their use and development, resulted in a far less equitable and effective administration of the trust funds than ought to have been secured.

Following the reports of these commissions, a permanent board of charity commissioners was created. It had, at first, only protective and remedial powers; judicial powers were given it in 1860. Certain charities, however, have always been exempted from the authority of the board, except as they voluntarily sought its advice. Roman Catholic charities were brought under its jurisdiction in 1859 and endowed secondary schools in 1874. In 1899 the educational charities were assigned to the Board of Education.

The Charity Commissioners "are charged with maintenance of that permanent character [of trusts] which is their distinctive feature." The trustees are sole and responsible administrators of the income of a charity, but have no power, under the law as it exists in England to-day, to deal with the capital. The Commissioners, on the other hand, are not concerned with income, but are judges of all dealings with capital as well as of all variations of the prescribed mode of giving effect to the objects of the charity.

In pursuance of these functions, it has been the practice of the Commissioners to issue so-called "schemes" to each charity coming under its control. These schemes constitute essentially a constitution and by-laws of procedure which the trustees are expected to follow. They are very full and explicit, and go so far, for example, as to list in the case of an endowed chapel the doctrines which are to be taught under the specified endowment. All investments are completely under the Commissioners' control, and no variation may be made without their approval. Shortly after their appointment, the Commissioners

began work on a general Digest of endowed charities, which was published in 1876 and which constitutes a "veritable Domesday Book of charities in England." Its parts were completed at various times, covering a period of fifteen years. It omits many of the Catholic charities recently brought under its control and is not exhaustive in its other lists. It is believed, however, to give a substantially true picture of the situation of endowed foundations in England in the third quarter of the nineteenth century.

The Digest covers England and Wales only and, as before stated, expressly exempts the universities with their several colleges, the colleges of Eton and Winchester, the Cathedral Foundations, friendly or benefit societies, and institutions maintained wholly by voluntary subscriptions. Furthermore, the Commissioners concerned themselves only with such charitable gifts as expressly required investment for permanent use.

The character of the securities authorized by the Charity Commissioners has varied from time to time in accordance with the law or with orders of the courts. Previous to 1888, ninety percent. of the personalty in the hands of the official trustees of the charity funds was in government stocks. In that year an order of the Supreme Court of Judicature greatly extended the available list. The variation in the character of the investment securities is shown in the following table:

YEAR	TOTAL SECURITIES	PERCENTAGE OF BRITISH FUNDS	PERCENTAGE OF OTHER SECURITIES	NO. OF ACCOUNTS
1858	£406,082	100.		700
1868	3,443,030	98.9	1.1	4,951
1878	8,322,943	97.7	2.3	9,345
1888	13,851,064	91.4	8.6	15,277
1898	19,550,600	79.	21.	20,463
1908	27,142,228	63.	37.	28,320
1918	40,930,233	57.	42.5	38,323
1919	44,448,492	59.	40.7	39,430

In 1919 the forty-four million pounds indicated above was distributed as follows:

British funds	£26,345,180
Indian securities, including Indian R.R. stock	4,943,736
Colonial securities, including colonial R.R. stock	2,654,769
County and municipal stock	3,923,438
British R.R. stock	5,408,765
Miscellaneous securities	1,172,604
	<hr/> £44,448,492

In detail the following list was authorized by the Trustee Act of 1893 and the Colonial Stock Act of 1900:

1. Any parliamentary stocks of public funds or government securities of the United Kingdom.
2. Stocks of the Bank of England or Ireland.
3. India three and one-half or three percent. or any that may be issued by the Secretary of State in Council of India under Act of Parliament and charged on Revenues of India.
4. Any securities with income guaranteed by Parliament.
5. Consolidated stock created by Metropolitan Board of Works or London City Council.
6. Corporation and county stock under certain conditions.
7. Railroad stocks under certain conditions.
8. Indian R.R. stocks under certain conditions.
9. Water companies stocks under certain conditions.
10. Incorporated water trust stocks under certain conditions.
11. Securities authorized by court.
12. Colonial stocks according to Colonial Stock Act.

It is noteworthy that land still forms the major source of income for charitable purposes. The policy of the Charity Commissioners has been generally against its sale, except urban property at high profit.

The reports of the Charity Commissioners indicate the new foundations from year to year, and the Commissioners take special pride in the notable gains as proving that organization and regulation under their control have not checked the flow of

English charity as many predicted that they would, but seem rather to have stimulated it through confidence in wise administration. The following table shows the additions in pounds sterling during the four years preceding the war:

	1910	1911	1912	1913
Medical	£254,701	£468,494	£174,727	£307,693
Pensions	188,101	44,594	72,190	98,100
Almshouses	56,869	28,415	210,731	70,852
Poor—generally	37,697	121,321	39,198	58,463
Ecclesiastical:				
Church of England	62,393	241,005	110,844	147,639
Others	40,819	41,975	56,894	89,083
Public Purposes	93,500	29,995	1,580	14,645
Miscellaneous	169,674	119,791	1,048,028	103,652
	<u>£903,754</u>	<u>£1,095,590</u>	<u>£1,714,192</u>	<u>£890,127</u>

#### FIELD OF ACTIVITY OF THE CORPORATION

THE charter under which the Carnegie Corporation of New York is conducted constitutes the trustees a body corporate "for the purpose of receiving and maintaining a fund or funds and applying the income thereof to promote the advancement and diffusion of knowledge and understanding among the people of the United States" by aiding schools, institutions of higher learning, scientific research, useful publications, "and by such other agencies and means as shall from time to time be found appropriate therefor."<sup>1</sup>

This charter is distinctive in two respects. It opens to the trustees an indefinitely large field of operation. "The advancement and diffusion of knowledge and understanding," if the two terms are used in their broadest sense, can be made to include almost all of the intellectual, educational, and scientific activities

<sup>1</sup> In 1917 the constitution was amended to include Canada and the British colonies within the Corporation's field of activity, the income on \$10,000,000 being set aside for this purpose.



of the whole people. In the second place, the Corporation is directed, by its charter, to promote this advancement and diffusion of knowledge and understanding, if not exclusively, at least in great measure, by aiding other agencies to do their work in the social order rather than by undertaking the operation and conduct of such agencies upon its own responsibility.

The United States is the only country in which there have been established endowed foundations of such magnitude as to enable them to undertake, upon a large scale, the advancement and diffusion of knowledge; and altho they have been established but a few decades, their experience has gone to show that such foundations will do their best work for the advancement and diffusion of knowledge by limiting their activities, over a period of time at least, to certain chosen fields in which they may hope not only to obtain cumulative results, but in which they may also hope to note with some degree of certainty the effects of their efforts.

Without adopting any exclusive policy in these matters, the trustees of the Carnegie Corporation have, because of the force of circumstances, applied the bulk of its income to certain causes. In the twelve years of its existence the Corporation has disbursed some sixty-three million dollars. The bulk of its gifts has gone in the following directions:

To the institutions founded by Mr. Carnegie, forty percent.

To public library buildings, twenty percent.

To colleges and universities, for their educational purposes, fifteen percent.

To educational agencies engaged in war service, five percent.

To scientific research, three percent.

The percentages given are approximate only.

The trustees and officers have earnestly sought to determine in what direction the income of the Corporation could best be expended in order to accomplish the purposes of the trust, and also to decide approximately the measure of time during which a

given cause should reasonably be aided by it. The outcome of these efforts has resulted in a considerable modification of the appropriation of income during the past few years. While the Corporation has continued its large appropriations to the institutions founded by Mr. Carnegie, it has distributed the most of its income to the following purposes:

- New educational efforts and studies.
- Economics.
- Medical Research and Medical Teaching.
- Legal Education and Reform.
- Scientific Research in various fields.
- Agencies devoted to special problems.

The term Research, in the broad sense, would include nearly all of these endeavors, tho only a few of them refer specifically to research in physical science.

Perhaps no other cause to-day commands the same place in the world's expectation as that of scientific research. To aid fruitful efforts in research is, in the estimation of a great body of intelligent people, perhaps the best use of trust funds. When, however, one has come to this decision, the difficulty is always present of discriminating between the research that is fruitful and that which is barren. The case has been admirably stated by Sir Ernest Rutherford—himself a notable example of the successful man in research—in his recent presidential address at Liverpool before the British Association for the Advancement of Science:

“Those who have the responsibility of administering the grants in aid of research both for pure and applied science will need all their wisdom and experience to make a wise allocation of funds to secure the maximum of results for the minimum of expenditure. It is fatally easy to spend much money in a direct frontal attack on some technical problem of importance when the solution may depend on some addition to knowledge which can be gained in some other field of scientific inquiry possibly at a trifling cost. It is not in any sense my purpose to criticize those bodies which administer funds for fostering pure and applied re-

search, but to emphasize how difficult it is to strike the correct balance between the expenditure on pure and applied science in order to achieve the best results in the long run."

The more important grants during the past year, as well as some account of the progress of the enterprises that have received assistance, are given in the following pages. These are succeeded by a detailed statement of the grants voted during the year and of the payments made in fulfilment of grants both of the current year and of former years. These statements make a complete account of the action of the Corporation during the past year in the disposition of its income.

#### THE AMERICAN LAW INSTITUTE

IN the distribution of the income of the trust in such a way as to promote the advancement and diffusion of knowledge among the people of the United States, the Carnegie Corporation has sought not only to aid agencies that were already established, but also to enable new agencies to come into being to undertake work in the body politic for which no provision had as yet been made. One of the most important and far-reaching efforts of the Corporation in this direction has resulted in the endowment of the American Law Institute, an agency established with the coöperation of representative judges, lawyers, and law teachers, for the improvement of the law. As a means of bringing about a restatement of the law and thereby an improvement in the administration of justice, the Corporation undertook the support of the American Law Institute, established for that purpose, for a period of ten years, in accordance with the following resolution:

"*Resolved*, That the sum of one million, seventy-five thousand dollars (\$1,075,000) be, and it hereby is, appropriated to the use of the American Law Institute, for the general purposes of the Institute, pay-

ment to be distributed as follows: For the second half of the fiscal year 1922-23, \$50,000; for the year 1923-24, \$100,000; and a like amount for the year 1924-25; for the year 1925-26, \$110,000; and a like amount for each of the six successive years thereafter; and finally, for the first half of the fiscal year 1932-33, \$55,000. With the completion of the last payment designated above, the Carnegie Corporation assumes no further obligations for the support or maintenance of the American Law Institute."

The Corporation did not come to this action hastily, but after some years of study and of conference with many members of the legal profession — those in organizations like the American Bar Association and the New York Bar Association, as well as teachers in American law schools. In 1919 the Corporation, following a request from Legal Aid societies, caused a study of legal aid in the United States to be made by Mr. Reginald Heber Smith of the Boston Bar. This exhaustive report, under the title "Justice and the Poor," was published by the Carnegie Foundation at the request of the Corporation, and became the subject of wide discussion on the part of lawyers and publicists. The report made evident, in clear and convincing fashion, not only the place of legal aid societies in the present administration of the law, but also the serious and increasing difficulty in the administration of justice arising from the multiplicity of statutes, from the great number of law-making bodies, and from the confusion of legal precedents in which the courts and the members of the Bar are forced to carry on their work. These difficulties are cumulative, and it is clear even to the layman acquainted with their nature that some clarification of legal procedure must be had if the administration of justice is to continue wholesome, reasonably prompt, and within the reach of rich and poor alike.

This growing conviction among those familiar with American administration of law was deepened through the publication by the Carnegie Foundation, in 1921, of Mr. Reed's bulletin on



"Training for the Public Profession of the Law," which described the historical perspective of legal education and the process by which the training and the practice of members of the American Bar and the relations of judges to courts had served to create a situation under which the courts and the lawyers were called upon to struggle with an ever increasing number of decisions from which the extraction of legal principles became more and more difficult and more and more costly.

In May, 1922, thirty of the most able lawyers of the country formed a committee to set forth the causes of the law's uncertainties and unnecessary complications, and to investigate the possibility of establishing a permanent organization which would fulfil the public obligation of the legal profession to clarify and to simplify the law and its administration. The Carnegie Corporation provided for the expenses of this committee by a grant of \$25,000.

After months of study, the committee issued a report in which there was urged the establishment of a law institute, whose chief and most important work should be the restatement of the law in such fashion that fundamental legal principles would be made clear, and both the lawyer and his client would be relieved of the onerous duty of consulting, even in mediocre cases, numberless precedents to determine the principle upon which their cause depended.

On February 23, 1923, in Washington, this report was laid before one of the most notable gatherings of the members of the legal profession ever held in this or in any other country. There were in this group some three hundred and fifty-five persons, including the Chief Justice and other members of the Supreme Court of the United States, twenty-one chief justices of states, many other members of the higher federal judiciary, representatives of all the principal Bar associations in the United States and the faculties of all the leading law schools, and about two hundred other leading members of the Bar, invited for their

high standing and knowledge. As a result of their deliberations, the recommendation of the committee for the establishment of a law institute was approved, and the Institute was incorporated on the same day under the code of law for the District of Columbia with the title "The American Law Institute." The purpose and obligation of the Institute are defined to be educational, and "to promote the clarification and simplification of the law and its better adaptation to social needs, to secure the better administration of justice, and to encourage and carry on scholarly and scientific legal work."

The Institute is governed by twenty-one councilors elected by the members of the Institute. Two meetings of the council are to be held annually, one known as the "annual meeting" and held in Washington at or about the time of the annual meeting of the Institute. In the interval between the meetings, the business of the Institute is conducted by an executive committee consisting of the honorary president, the president, the vice-president, the secretary, and the treasurer, together with five members of the council elected by the council.

The council elects the director, who is responsible for carrying on the work of the Institute in the manner prescribed by the council and the executive committee. He holds office at the pleasure of the council.

The by-laws of the Institute provide for annual meetings and for special meetings, and are intended to furnish an organization for the Institute under which it will be possible to secure the definite critical work on the part of legal scholars and to retain at the same time an oversight over their progress by the whole membership of the Institute. Immediately after the meeting of February 23, 1923, the council entered upon its duties, appointed as director Mr. William Draper Lewis, and accepted a provisional arrangement of topics to be taken up in the task of restating the law, such, for example, as contracts, torts, conflicts of law, agencies, defects in criminal justice, and similar topics.

It was estimated by the council that the expenses of the Law Institute for a period of ten years would amount to a little over a million dollars. It was also the opinion of the council that in order to bring into the work men who could give continuous and steady application to its problems, it was essential that this sum be provided at the outset, so that for ten years at least there should be no uncertainty as to the support of the Institute. In view of this recommendation the Corporation made a grant of \$1,075,000 distributed over a period of ten years and intended to provide adequate support for the Institute during that period.

It would be difficult to overstate the importance of this effort. No cause to which an endowed foundation could give its support has in it greater possibilities of good for the whole people of the United States, and no action of the Corporation could be taken which would be more clearly in the interest of that advancement and diffusion of knowledge for which the trust was created. In the growth of our complex political and legislative system, the whole process of justice has become more and more complicated by the precedents fixed in innumerable decisions of the courts and by the statutes of Congress and of the state legislatures, so numerous that their mere cataloguing has become a serious task. No law firm can hope to follow with accuracy this mass of decisions. It is imperative that a method shall be found whereby, out of this confusion, definite principles of law and of justice shall be formulated with such clearness and with such authority that the courts themselves will be ready to accept them as settled and to decide cases accordingly, without attempting in each case to marshal on one side or the other the innumerable precedents set by the judgments of the courts and the legal enactments of our prodigal legislation. No people has ever been subjected to such a flood of decisions and of statutes as has the people of the United States. The time has come when the confusion created by this process must be relieved and the adminis-

tration of justice made more clear, more prompt, and less costly. The very existence of our constitutional government depends on a fair administration of justice, without regard to class or condition. That administration has been seriously hampered by the procedure under which our courts are conducted. This procedure has been a natural growth and is the fault of no group and of no party. It is the outcome of the development of the common law under the American system of judges and of legislatures. There is to-day a supreme obligation upon the Bar to formulate a method by which the processes of law shall be simplified and made more effective. The American Law Institute is the response of the American Bar to this obligation. Every citizen of the country must hope that, out of the labors of the American Law Institute, representing as it does the learning and the conscience of the American Bar, there shall come a result that shall make legal procedure available to every citizen upon prompt and reasonable terms, and shall afford to the whole body politic that assurance of justice which is necessary for the permanence of free democratic institutions.

#### MEDICAL EDUCATION AND RESEARCH

FOR some years past, as indicated in preceding pages, the Carnegie Corporation has devoted a considerable portion of its income to the cause of medical education, to the betterment of medical practice, and to the promotion of medical research. The appropriations of the Corporation have been in some cases grants of large sums of money for projects of great importance; in other cases small grants to groups engaged in research upon particular problems. During the past year appropriations have been made for the following medical projects:

Johns Hopkins Medical School, for the erection and maintenance of an out-patient dispensary and diagnostic clinic, \$2,000,000.  
New York Academy of Medicine, for the erection of a building to house



its library and to provide for its professional and educational activities, \$1,000,000.

Potter Metabolic Clinic and Laboratory, Santa Barbara, Cal., for the conduct of its regular work and for study of insulin, \$22,500.

Physiological Department of Toronto University, for researches involving insulin, \$8000.

National Board of Medical Examiners, \$20,000.

American Society for the Control of Cancer, \$10,000 annually for three years.

The considerations which led the trustees to make these grants are stated in the following pages.

#### JOHNS HOPKINS MEDICAL SCHOOL

The history of the Johns Hopkins Medical School and the influence which it has had upon medical teaching and medical practice are widely known. Not only has the Medical School furnished an extraordinary number of medical practitioners of high ability, but it has also furnished an unusual number of men who are engaged in teaching and in research in the field of medicine. In addition to this, various members of this institution, and notably Dr. William H. Welch, have, by their wise counsel and generous coöperation, greatly aided the cause of medical teaching and of medical research throughout the whole country.

The buildings of the Johns Hopkins Medical School were erected many years ago, at a time when modern scientific medicine was beginning the remarkable development of the last thirty years, and they no longer provide the facilities and the means requisite for the work of teaching and of medical research. A strong effort has therefore been made by the officers of Johns Hopkins University to obtain a sufficient sum of money to replace the present laboratories and other buildings by new structures adapted to the needs of modern medicine. In this program, of importance far beyond the immediate region in which the Medical School is situated, the trustees of the Carnegie Corpo-

ration were invited to join. After long study of the project, the Corporation agreed, under certain conditions, to appropriate a sum sufficient for the erection of a building to serve as an out-patient building and diagnostic clinic.

One of the most acute needs of to-day, both in preventive and in curative medicine, is some organization of medical forces through which men and women of modest means may receive the benefit of modern science in the prevention, diagnosis, and treatment of disease. The very poor receive treatment generally of a high scientific order in public hospitals; the rich employ the most expensive, tho not always the ablest, physicians; but the great mass of people of modest income find it difficult to avail themselves of modern medical science at a cost within their means. The trustees of the Carnegie Corporation are convinced that if they are able, by coöperation with the Johns Hopkins Medical School, to set in operation an agency through which a plan for medical service to people of moderate means may be practically worked out, the Corporation will have rendered one of the most fruitful services that can be offered either to medical science or to human needs. Furthermore, such a solution of the health problem will promote in the most effective manner a diffusion of that knowledge which prevents as well as cures disease, a cause which is one of the specific needs which the Carnegie Corporation was created to serve.

After a conference with the head of the Johns Hopkins University and of the faculty of the Medical School, a plan was elaborated for an out-patient building which is designed to serve not only the purposes of medical teaching, but which will also offer to approximately one-third of the population of Baltimore an opportunity to receive diagnosis and treatment at such cost as each applicant is able to meet. The purpose goes still further. Under the arrangement entered into with the University, the building is intended to afford an important means of educating the general practitioner of medicine, who will be encouraged to

accompany his patient to this clinic, and will have the opportunity to become familiar with the methods of scientifically trained men and to consult with them as to the diagnosis and treatment of his patient's disease. In order to deal fully with this problem, the building will contain a small ward for the temporary care of those patients who need immediate treatment or operation.

In accepting the grant of the Corporation for this purpose, the Medical School undertakes the entire cost of the technical supervision, involving the services of a very large number of medical men, in order to accommodate the needs of people who may apply. This means that the clinic will be open to applicants during the entire day and for a certain part of the evening, and that the man or woman of modest means may come here for diagnosis and for treatment upon the payment of such fees as he or she may find it possible to afford.

How great a need this institution will supply if conducted in the manner that has been outlined, only those can appreciate who are familiar with the difficulties of meeting the demands of the sick in great cities. Still more urgent is the need to inculcate some knowledge of preventive medicine.

The wards of a hospital can care only for the patient who is acutely ill or who is temporarily and completely incapacitated by some progressive chronic illness. The vast majority of those who need medical advice and treatment do not fall into this group. At present there are but few dispensaries in the country so equipped that they can employ the same elaborate procedure for the diagnosis and treatment of the diseases of such patients that is possible in a hospital ward. It is proposed that these opportunities shall be available at the Johns Hopkins Medical School, not only to the very poor without cost, but also to those in moderate circumstances who can afford to pay according to their means for such examination and study.

In order to facilitate the work of such a clinic, it is necessary that the building should be sufficiently commodious to allow of

the operation of all the departments simultaneously, thus securing a great saving of time to patients as well as to the medical staff. Any one familiar with clinics in large cities will realize how many people give up any effort to obtain their service because of weariness over the long delay in reaching the physician: the various services operate at different hours, and a large proportion of patients tire of waiting and fail to return.

The arrangement contemplated is also calculated to afford an opportunity for conducting needed investigations upon the early stages of chronic diseases, a field that has been greatly neglected. In most dispensaries the lack of space and of laboratories has rendered it almost impossible to study this problem, so that the information available in this field is derived almost wholly from the experience of physicians in private practice. Under such circumstances it is extremely difficult to make a systematic and comprehensive investigation. Since a large proportion of illness in adult life is caused by chronic disease, it is clear that any arrangement that will lead to its early recognition and possible cure is of paramount importance to that large body of people who, under present conditions, rarely get the benefit of diagnostic skill in time to ensure their return to health.

The dispensary building is to be erected in the immediate proximity of the new School of Hygiene; and it is contemplated that the staffs of these two divisions will work in close coöperation, thus securing a greater effectiveness in the prevention of disease than has been possible in the crowded and hurried clinics of most city dispensaries.

It will be seen that the activities provided for are planned to cover a broad and somewhat novel field. It ought not to be lost sight of, however, that one of the functions will be to train not only undergraduates, but graduates in medicine, in order to fit them to develop similar clinics elsewhere. A weakness in present-day educational methods lies in the fact that, while medical schools devote time and labor to training graduate students and



while they offer to such students a good education, they fail to make provision for keeping them in touch after leaving school with the constantly developing methods of diagnosis and treatment. Those holding hospital positions obtain this opportunity; but the general practitioner, and in particular the man engaged in practice among the poorer classes and in the rural communities, has small contact with adequately trained medical men and, as he grows older, tends rather to retrograde than to advance in medical knowledge. A diagnostic clinic, such as is here proposed for those of moderate means, should play an important part in correcting these conditions, for it would afford an inestimable opportunity for placing the practitioner, who accompanies his patients to the clinic, in touch with modern methods, and enable him to carry these methods into the homes of his patients.

To provide a building for such purposes as have here been indicated, the Corporation voted the sum of \$2,000,000, of which \$900,000 is to be used to provide a fund for maintenance. The trustees have every hope that out of this enterprise there may result a contribution to the medical treatment of persons in moderate circumstances that may be of constantly increasing value to the whole country.

#### THE NEW YORK ACADEMY OF MEDICINE

The New York Academy of Medicine has been in existence for seventy-six years. During that period it has accumulated one of the most important medical libraries in the world. It has also gradually enlarged its scope until its twelve sections represent almost all branches of medical work and study. It is the headquarters of the medical societies of the County and State of New York, and of various other agencies related to medicine or medical teaching.

The Academy represents the entire medical profession of greater New York. The medical schools represent select groups

of medical teachers and practitioners. The local societies represent the professional needs and activities of their members. But the Academy of Medicine, bringing together as it does the best men in all schools and in all societies, and offering the facilities of its great library to the whole world, represents as perhaps no other agency can the larger medical interests of the city and of the entire region. Furthermore, the activities of the Academy have now assumed a quasi-official relation to the city by reason of the fact that the departments of the city turn to the Academy of Medicine for advice with respect to various problems of public health.

At present the Academy is housed in a building at 17 West 43d Street, which it owns. In this building its library, now grown much too large for its quarters, is made available to all students of medicine to as great an extent as the limited space will permit. It is, however, liable at any time to destruction by fire, a loss which would be irreparable.

It is also quite clear that with the advance of medical science an increasing number of American and foreign physicians are constantly coming to New York either for the purposes of a short visit or to undertake graduate courses of instruction. There is great need for some centre of information, of guidance, and of professional contact that shall be open to these visiting physicians, whether from our own country or from foreign lands, where they may obtain complete knowledge as to the facilities open to them in New York and its vicinity. The time has come when it is in the interest of medical science and of the medical profession that the Academy of Medicine in this great city shall be enabled to transfer its library and its various activities to a new building, where there shall be sufficient room for its work under conditions free from the danger of fire and in which it may become not only a centre of medical information, but also a place of national and international hospitality for the medical visitor, whether he come from the United States, from Canada, or from some foreign country.

After conference with the president and other officers of the Academy of Medicine, the trustees of the Carnegie Corporation, at their meeting on January 12, 1923, voted to inform the officers of the New York Academy of Medicine that they stood ready to provide a building fund of \$1,000,000 for the erection of a fire-proof building to house the library of the Academy and to be the centre of its educational and medical activities, provided there should be secured by the Academy a site in a suitable locality, and provided also that there should be secured from other sources an endowment of not less than \$1,000,000 to be devoted to the educational activities of the Academy.

These conditions have already been met by the purchase of an admirable site one hundred feet square on the southwest corner of 60th Street and Park Avenue, the payment for which was in large measure made by the subscriptions of members of the Academy themselves, and by the further action of the trustees of the Rockefeller Foundation in voting \$1,250,000 for the Academy's educational activities.

The plans for this building are now being prepared; and if the extraordinary rise in the cost of construction in New York City does not seriously delay action, the Academy may well hope, within a comparatively short time, to house its library and to carry on all its activities in a building worthy of modern medicine and of the great city in which the Academy does its work. With such a building and with such facilities, one cannot doubt that the medical profession of the city of New York will see to it that the Academy shall become a centre of medical information, of medical advice, and of medical progress worthy of the city and of the country, and of the great cause of medical science itself.

#### THE POTTER METABOLIC CLINIC

There was described in the report of the Corporation for 1922 the establishment of the Potter Metabolic Laboratory and Clinic

in connection with the Cottage Hospital of Santa Barbara, California. The Laboratory and Clinic were established through the devoted work of the late Nathaniel Bowditch Potter of New York, and are concerned mainly with the treatment and study of diabetes. For the purposes of the Laboratory and Clinic, the Corporation voted a grant of \$7500 for the present year.

The director of the Potter Metabolic Laboratory—Dr. W. D. Sansum—has been in close touch with the researches conducted in the Physiological Department of the University of Toronto by Dr. McCleod, Dr. Banting, and Dr. Collip, resulting in the discovery of insulin. By reason of this connection, Dr. Sansum was one of the first to begin the manufacture of insulin and its use with patients. The record of the treatment of patients in the Potter Metabolic Clinic during the year has been extraordinary, and the papers published by Dr. Sansum and his assistants have been of great service to other students of this important subject. In October of 1922, the trustees of the Corporation, in view of the importance of the insulin treatment, voted to the Potter Metabolic Laboratory the sum of \$15,000, to be used under the direction of Dr. Sansum in the manufacture and study of insulin. Dr. Sansum has recently communicated the results of this experiment to the medical journals.

#### PHYSIOLOGICAL DEPARTMENT OF THE UNIVERSITY OF TORONTO

In the report of the Carnegie Corporation for 1922, a statement was made of the grant of \$8000 to the Physiological Department of the University of Toronto, to be used in intensive studies on the internal secretion of the pancreas. The brilliant result of these studies was made known to the world during that year. The discovery and application of insulin constitutes one of the most wonderful achievements of medical research which the century has known. The Carnegie Corporation, at the request of the University of Toronto, voted an additional grant



during the present year of \$8000, to be spent, under the direction of Dr. J. J. R. McCleod, in the researches being carried on by Dr. F. G. Banting and others.

#### THE NATIONAL BOARD OF MEDICAL EXAMINERS

In the report of the acting president of the Corporation for the year 1922, there was given an account of the establishment and the work of the National Board of Medical Examiners. Under the arrangement there described, the Carnegie Corporation contributes to the Board for a period of five years, beginning in 1921, a diminishing sum, which for the year 1923 amounts to \$20,000. The following states now accept the certificate of the National Board in lieu of examinations:

Alabama	Maine	North Carolina
Arizona	Maryland	North Dakota
Colorado	Massachusetts	Pennsylvania
Connecticut	Minnesota	Rhode Island
Delaware	Nebraska	Tennessee
Georgia	New Hampshire	Vermont
Idaho	New Jersey	Virginia
Iowa	New York	Washington
Kentucky		

#### AMERICAN SOCIETY FOR THE CONTROL OF CANCER

If statistics are to be trusted, there has been during the past generation an alarming growth in the number of deaths from cancer. From the reports of the United States Census Bureau it appears that cancer to-day is the cause of one out of every thirteen deaths among men over forty years of age and that the proportion is even greater among women. Apparently, death from cancer has become more frequent than from either tuberculosis or pneumonia.

While the disease is being studied in the most painstaking way by a number of research agencies all over the world, little



has been done as yet to disseminate among the people of the United States a knowledge of the preventive measures that may be taken against it. It seems to be clearly established that the majority of deaths from cancer could be prevented if certain elementary facts could be taught to the great body of medical practitioners, and if these same facts could be brought to the attention of the people themselves.

In order to carry out this work of dissemination of knowledge among the people of the United States, the American Society for the Control of Cancer was founded some ten years ago; and it is now rendering a notable service in informing the people of the country, partly through publications of its own, partly through popular presentation, of the simple precautions that should be taken upon the first appearance of any growth upon the body or internal trouble that might possibly be of a cancerous nature. The Society is directed by men of high standing in the medical profession, and its work represents a most intelligent effort to bring home to the minds of the people of the country the facts of preventive medicine in this particular field.

It has seemed to the trustees of the Corporation that the diffusion of this knowledge was clearly one of the objects contemplated under their charter. At a meeting held on January 12, 1923, therefore, they voted to the work of the Society for the Control of Cancer a grant of \$10,000 annually for a period of three years beginning January 1, 1923, provided that not less than \$40,000 be secured each year from other sources.

### STUDIES IN ECONOMICS

THINKING men everywhere recognize that political questions are in a large proportion of cases economic questions. Not only is this true, but it is equally clear that the commercial life of the people of the United States is directly affected by economic conditions in other parts of the world. In the case of any great

country, commerce to-day is no longer restricted to its own borders. All great nations, and practically all small nations, are engaged in international trade. The economic forces, therefore, that work in the world market oftentimes determine the scale of prices and fix the profit or the loss for those who are engaged purely, as they think, in domestic commerce.

One of the great difficulties connected with this situation arises out of the fact that in nearly all countries efforts are constantly made to solve, by political action, problems that are essentially economic and that will reach their solution under the determining forces of economic action and interrelation without regard to political legislation. In our own country, legislation undertaken with excellent intentions has again and again failed to accomplish its purpose for the reason that it undertook to determine by legal enactment that which was inevitably subject to the currents and forces that arise from national and international trade. A sound knowledge of economic facts and forces is essential no less to wise political action than to commercial success.

In view of this situation, it is important not only that trained men should ascertain by the most careful process of investigation the actual economic facts and tendencies, but it is equally important that the fundamental results of these economic processes should be made clear to the people at large. It is necessary, therefore, if the whole ground involved in the general term "economics" is to be covered, that there shall be more than one kind of agency engaged in its study and in the dissemination of the ascertained facts.

Acting on these premises, the trustees of the Corporation have for some years past voted grants to four separate organizations concerned with the study of economic questions:

The Institute of Economics, with headquarters in Washington.

The National Bureau of Economic Research, with headquarters in New York.

The Institute for Research in Land Economics and Public Utilities in Madison, Wisconsin.

The Food Research Institute, carried on in coöperation with the trustees of Stanford University.

The first of these agencies—the Institute of Economics—has for its object not only the study of economic facts and economic forces, but equally the dissemination in a simple and comprehensible form of information touching those questions which affect most directly the commercial and financial interests of the people of the United States.

The National Bureau of Economic Research—as its name indicates—is devoted to detailed research on important selected questions taken up from time to time by the Bureau.

The Institute for Research in Land Economics and Public Utilities is a continuation of the researches of Professor Richard T. Ely of the University of Wisconsin, who for a quarter of a century has been engaged in important studies in land economics. The work of this Institute is fairly defined by its name.

The fourth economic agency to which the Corporation is extending aid is the Food Research Institute, organized under the direction of Stanford University. The Food Research Institute is entirely financed by the Carnegie Corporation, and originated in connection with the extensive collection of information touching food distribution and food values made by Mr. Hoover in his remarkable work in the American Relief Association in Belgium. The information accumulated through these labors had to do with operations conducted on a gigantic scale, and it is believed that the study of these results will throw light on the problem of the production and distribution of food for a great nation.

The sums paid to these separate agencies during the past year amounted, in the case of the Institute of Economics, to \$200,000, in the case of the National Bureau of Economic Research to \$20,500, in the case of the Institute for Research in Land Economics and Public Utilities to \$12,500, and in the case of the

Food Research Institute to \$69,500. These grants are continuing appropriations resulting from the action of the Corporation in previous years. The following brief account of the work in which each of these organizations is engaged will indicate the nature of their separate tasks. It goes without saying that in aiding these separate agencies the Corporation has requested co-operation and conference between them, a proceeding in entire accord with the views of those in charge of them.

## INSTITUTE OF ECONOMICS

The Institute of Economics occupies a portion of the building at 26 Jackson Place, Washington, D. C. This building is the property of the Institute of Economics, a generous gift from Mr. Robert S. Brookings, the chairman of the board.

The director and staff of the Institute of Economics began their duties in September, 1922. The director is Dr. Harold G. Moulton, formerly professor of Economics in the University of Chicago.

For the purposes of investigation, the work of the Institute has been organized under the following broad divisions, of which the first four are in operation during the current year:

- International Commercial Policies
- International Economic Reconstruction
- Agriculture
- Labor and Industry
- Domestic Finance
- Taxation
- Transportation and Public Utilities
- Natural Resources

The Division of International Commercial Policies is giving precedence to the American Tariff. The studies now being prosecuted aim to determine the effect of the American Tariff upon agriculture, a problem of immediate and pressing importance. Before attempting to generalize with regard to the relation be-



tween the tariff and agriculture proper, it has been thought best to prepare a detailed and intensive presentation of the facts in connection with taxes levied or proposed on certain typical agricultural products. The following studies are now under way, and will be ready for publication at a comparatively early date:

- I. American Methods of Tariff Making, by Thomas Walker Page.
- II. The Effects of the Emergency Tariff Act upon the Sugar Industry, by Philip G. Wright.
- III. The Relation of the Emergency Tariff Act to Long Staple Cotton, by E. P. Kean.
- IV. The Effects of the Emergency Tariff Act upon the Meat Industry, by L. R. Edminster.
- V. The Relation of the Emergency Tariff Act to the Wool Industry, by Mark A. Smith.

The Division of International Economic Reconstruction is under the immediate supervision of the Director. It has undertaken a series of studies designed to answer, with respect to different countries, the following questions:

What are the amounts which the government in question would have to pay abroad on account of the various foreign obligations for which it is held responsible?

What is involved for it in obtaining these amounts within the country by means of budgetary surpluses?

What is involved in making these surpluses available abroad?

The series is as follows:

- I. Germany's Capacity to Pay.
- II. Russia's Capacity to Pay her Foreign Debts.
- III. The Capacity of France to Meet her External Obligations.
- IV. The Capacity of Italy to Meet her Foreign Debts.
- V. What is involved for Great Britain in Meeting her External Debts?

Two of these studies have been completed, and the first, a volume of 300 pages, has already appeared. Another study in this field is entitled "The Economic Interest of the United States in the European Situation." This seeks to answer the following questions:



In what ways does the settlement of the reparation problem concern the United States?

How would further economic deterioration in Europe affect American industry?

How would further economic deterioration in Europe affect American agriculture?

What is the relation of the international debt question to the American protective tariff?

What is the relation of the international debt question to the American shipping policy?

What is the relation of the international debt problem to the American export trade?

The work of the Division of Agriculture has not proceeded as rapidly as that of the others for the reason that the economist in charge was unable to take up the work until the summer of 1923. It is the purpose of this division to centre attention upon the larger relations of agriculture to industry and upon the farmers' organization movement. The problems which will be given first attention are as follows:

- I. Agricultural Credit.
- II. The Terminal Marketing Situation.

The plans of the Division of Labor and Industry call for the study of the three following fundamental problems relating to industry and labor:

- I. The Profits of Industry.
- II. Stabilization and Waste Elimination.
- III. Industrial Relations.

In working out the first of these problems, detailed studies have been made of the earnings of the following corporations:

1. United States Steel Corporation.
2. Bethlehem Steel Corporation.
3. Republic Iron and Steel Company.
4. United States Rubber Company.
5. American Woolen Company.

In each of these studies an attempt has been made to ascertain the ratio of return on invested capital as represented by each class of security—bonds, preferred stock, and common stock.

The problem of stabilization and waste elimination involves a study of the methods used by various industries in attempting to adjust both current output and expansion of plant and equipment to prospective demand, and a study also of the fundamental economic requirements of the nation for various types of commodities.

In the field of industrial relations, two main problems have been undertaken:

- A. The development of rules and principles for the regulation of employment relations; and
- B. Social machinery for the adjustment of the relations of capital and labor.

Since both the rules and principles and the social machinery for adjusting the issues between capital and labor are nowhere better illustrated than in the coal industry, the Institute has begun its studies at this point.

The volumes prepared by the Institute of Economics will be published by the McGraw-Hill Book Company of New York, and will be issued in attractive form under the caption, "Institute of Economics: Concise Studies of Current Economic Problems."

It will be seen from the bare summary just given touching the work of this newly founded institution, that a serious effort is to be made by the staff of the Institute, under the direction of the trustees, to obtain the actual facts of economic causes and effects and to lay these before the public in a clear and concise fashion. If the Institute succeeds in this effort, it will have made one of the greatest possible contributions, not only to the commercial prosperity of the nation, but also to that satisfaction of spirit which can be gained only by facing the facts of existence and dealing with them intelligently and courageously.

## NATIONAL BUREAU OF ECONOMIC RESEARCH

As noted in the report of the Corporation for 1922, the governing body of the National Bureau of Economic Research includes a group of men whose occupations and interests are widely varied: men active in business, teachers of economics, labor union leaders, and others who have a thoughtful interest in economic problems.

During the past year, the Bureau carried out, through its staff, a searching investigation for the committee appointed by Secretary Hoover on Business Cycles and Unemployment. In order to accomplish this work in a short time, it was necessary to secure the assistance of a number of experts, who were not permanent members of the staff. Other organizations coöperated in the effort, among them the Russell Sage Foundation, the American Association for Labor Legislation, the Bureau of Railway Economics, and the Federation of Engineering Societies. As a part of this work, the Bureau made an elaborate study to determine the extent of the decline in unemployment from the peak of the business boom in 1920 to the depression in 1921. This material has all been included in the report of the President's Committee on Unemployment.

The National Bureau of Economic Research has also published Volume Two of its report on Income in the United States in the Year 1919. In addition to these larger reports, the Bureau has rendered a great amount of expert advice to various bodies — the Bureau of Census, the Department of Agriculture, the Internal Revenue Bureau, the New York State Tax authorities, and various professional associations, field agencies, and business corporations. The Bureau has endeavored to meet these calls as far as was consistent with the research work being carried on by its staff. During the present year, there will be issued a new edition of "Income in the United States" to meet the demand for later information concerning the amount and

distribution of income. The Bureau is also continuing its work begun for the President's Committee on Unemployment by an investigation of certain possible connections between business cycles and labor problems, and it expects before the end of the year to have brought these studies to a conclusion.

The work of the Bureau is essentially that of a research agency; but it also endeavors to make available the results of its studies to all who are interested in the ascertainment of economic facts and of the relations of these facts to the commercial and industrial life of the nation.

#### INSTITUTE FOR RESEARCH IN LAND ECONOMICS AND PUBLIC UTILITIES

The Institute for Research in Land Economics and Public Utilities is an independent organization of research, arising from the long-continued investigations of Professor Richard T. Ely of the University of Wisconsin. There are seven trustees of the Institute, including Dr. Albert Shaw, Dr. John H. Finley, Dr. Henry C. Taylor of the Department of Agriculture, and Supreme Court Justice M. B. Rosenberry of Wisconsin. To the work of the Institute the Carnegie Corporation has voted a grant of \$12,500 a year for five years, provided that an equal amount be secured each year from other sources, for the purposes of the Institute, and provided also that the necessary housing and equipment be supplied independent of this income.

As originally organized, the Institute planned investigations into the principles and problems of land economics; but researches had been under way only a short time when it became clear that the field of land economics was so closely related to that of public utilities that one could not be satisfactorily studied apart from the other.

One of the principles of the Institute has been the conducting of a certain amount of teaching along with its work of investiga-



tion. As the field studied is comparatively new, and the number of workers available is limited, the chief object of teaching is the training of properly qualified workers. A second object of teaching is to test the clearness and effectiveness of presentation of the work of the staff.

In the study of land economics, it soon became evident that all kinds of land cannot be treated in the same way. Land must be classified and dealt with according to its characteristics.

The subjects considered with respect to agricultural land during the past year have been land credit, schemes of colonization, and land ownership and tenancy in the United States. A special study has been made of farm mortgage interest rates in different parts of the country. The work in urban land economics has related to investments, mortgages and mortgage bonds as types of real estate investment, the selection of industrial sites, the relation of population to land values, urban tenancy, and the extension of urban area. A special study was made during the year concerning vacant lots in New York City, and the results were published in a volume on "Urban Land Economics."

During the year, several special research studies were carried out touching subjects of immediate interest. One of these was an historical study from 1870 to the present year of the comparative yield of taxed and tax-exempt securities: a study of carefully selected taxed bonds as represented by railways and public utilities, and of carefully selected tax-exempt municipal bonds. The conclusion drawn from this study was that cities could still continue to borrow at more favorable rates than other corporations, even if the policy were adopted of taxing municipal bonds at the same rate as private bonds.

Another study carried out during the year was one on home ownership and mortgage debt of homes not on farms. The analysis of the statistics brought together pointed sharply toward decreasing home ownership and increasing mortgage indebtedness on homes not on farms. The statistical data were compared and



correlated in the endeavor to bring out the reasons for this apparent trend, and it was made evident that the statistical presentation did not give a complete picture of the facts and that there was no serious cause for alarm in the tenancy situation. The statistics were studied in connection with the increasing value of homes, higher building costs, recency of home acquisition, permanence or lack of permanence in city growth, the nature of employment in cities, and the purposes of the mortgage.

On account of the immediate interest of these investigations, it is proposed to issue certain results in the form of bulletins in advance of final and complete publication of the enquiries themselves.

#### FOOD RESEARCH INSTITUTE

As was set forth in last year's report of the acting president of the Corporation, the Food Research Institute was established in February, 1921, by the action of the Carnegie Corporation of New York in coöperation with the trustees of Stanford University. Its purpose is the intensive scientific study of the production, distribution, and consumption of food. The Institute originated from the studies and recommendations offered by Secretary Hoover after his remarkable experience in supplying food to the distressed nations of Europe during the war and the year following. Mr. Hoover had the foresight to preserve an enormous number of documents which throw light upon the problem of availability of different kinds of food for the different ages of population and also valuable information touching its production and distribution.

The Institute began its activities in 1922, but it is only within the past few months that the staff has approached such an organization as is necessary for carrying out its investigations.

The trustees of the Food Research Institute have been strongly impressed during the past year with the increasing volume of data on all phases of food problems. The difficulty lies in

the fact that this material is in large measure undigested. Very little has been carefully scrutinized and adequately interpreted. Without such interpretation much of the work of collection and presentation is ill-advised or leads to mistaken conclusions.

In the judgment of the directors, the peculiar opportunity of the Food Research Institute lies in this field. Its chief service will be to develop unhurriedly, but as rapidly as the staff and resources permit, the basic, authoritative, interpretative studies of which, despite the wealth of material, there is to-day a deficiency.

The problem of building up an adequate research staff continues to engage much of the effort of the directors. Competent research assistants and associates of higher grade are not easy to find. This is partly due to rapid expansion of economic and statistical research and the pressure of demand for persons of suitable training for such work. It is due also, in the case of the Food Research Institute, to the fact that the work of this agency is not mass production and does not proceed along established lines, but calls for a certain originality and critical ability on the part of research workers.

Four fellowships have been awarded during the present year, and it is believed that the opportunity afforded by these fellowships will serve to recruit the necessary number of competent assistants.

Certain by-products of the work of the Institute are already becoming evident. Through correspondence and conference with certain departments of the government, with agricultural colleges, and with trade associations, the criticisms and suggestions on the subject of food research are already bearing fruit. Within recent months, at the suggestion of the Food Research Institute, the Census Bureau has undertaken to collect and publish monthly statistics of wheat grindings and flour production which, while intended primarily for the trade, should be of distinct value to all students of wheat problems.

The work of the Institute will proceed vigorously, and it is the purpose of the directors to confine their studies to those immediate problems which are most urgently calling for solution.

#### GRANTS TO EDUCATIONAL INSTITUTIONS

DURING the past year, requests have been received by the Carnegie Corporation from universities and colleges in the United States for grants of money on a larger scale than ever before. Practically all universities and colleges are working on an expanded program of study and with growing bodies of students. Encouraging as this situation is, it has in it also a certain danger for education and for the institutions themselves. It may well be that our higher institutions of learning have drawn into their membership more students than are fitted to profit by the courses offered, some of whom would have found their greatest happiness and usefulness in other fields of activity. Whatever may be the facts of this situation, and however desirous the Corporation may be to come to the aid of this or that institution, the amount of these demands is so enormous in the aggregate that the whole income of the Corporation would bear but an insignificant ratio to the requests for assistance. In view of this fact and of the obligations it has already assumed, the Corporation has not felt itself in a position during the past year to respond to the appeals of the colleges and universities.

A certain part of the income of the Corporation, however, is devoted to Canada and the British Colonies in accordance with the terms of the trust. In view of the nearness of the Dominion of Canada and the better knowledge which the Corporation has of its educational needs, the bulk of this income has ordinarily gone in grants to institutions in Canada.

Two educational grants of consequence have been made during the past year in Canada, and one in a dependency of the United States. The first and most significant is a conditional

promise of three millions of dollars toward a project for the development of a federation of denominational colleges in the Maritime Provinces of Canada, with a central university at Halifax. The second is a conditional grant of \$100,000 to aid in the establishment of a Roman Catholic college upon the campus of the Provincial University of Edmonton, Alberta, which shall have, if established, much the same relations to the University of Alberta that St. Michael's College has to the University of Toronto. The third, likewise conditional, is a grant of \$250,000 to the Polytechnic Institute of San Germán, Porto Rico, an institution engaged in offering to the young people of Porto Rico of both sexes a general education and an industrial training suited to their needs. While this grant is not a draft upon the foreign fund of the Corporation, its peculiar nature appears to justify exceptional consideration.

These projects are sufficiently interesting to warrant brief descriptions.

#### EDUCATION IN EASTERN CANADA

The provinces of New Brunswick, Nova Scotia, and Prince Edward Island constitute a closely related, homogeneous group somewhat differentiated from the other provinces of Canada by the long and varied sea-coast on the eastern side and by the isolation of the French language barrier of Quebec on the west. With these provinces of the Dominion, Newfoundland is closely related so far as the interests of higher education are concerned. The educational institutions of this region cannot be understood apart from the denominational religious life which created and which still definitely fosters them. Unaffected hitherto by foreign immigration, the people of the provinces are thoroughly denominationalized, only a small fraction of one percent. giving no religious affiliation in the census.

In view of these apparently diverse religious affiliations, it is interesting to observe the remarkable progress of the move-



ment for church unity, particularly since the War. Perhaps one of the most noteworthy incidents in the history of religious denominations during the last decade lies in the fact that the Presbyterians, the Methodists, and the Congregationalists have enacted the essential resolutions for declaring themselves one body, to be known as the "United Church." The achievement of actual union awaits only certain legislation which is expected during the coming year.

Numerically, the Catholics are the strongest single religious factor in the maritime provinces. The Presbyterians, the Baptists, the Methodists, and the Anglicans are the stronger Protestant bodies. The development of higher education under these conditions has resulted in a group of denominational colleges, all of them doing useful work, but all greatly hampered by the lack of adequate facilities in the way of libraries, laboratories, and other agencies of education. While this struggle of denominations in behalf of higher education has gone on, it has been impossible to bring to the support of any one institution the resources of the provinces through official channels, outside of small appropriations made mainly for technical education.

At various times during the past ten years, the principal institutions of higher learning of the maritime provinces have applied to the Carnegie Corporation for financial assistance. These applications have been most hospitably received by the trustees of the Corporation, who clearly realize that the educational interests of the Dominion and of the United States are intimately related, and that the welfare of Canadian colleges and universities concerns the people of each country to an almost equal degree.

Notwithstanding the apparent need, a practical policy for aiding this group of colleges scattered over the coast provinces was not clear. One institution could hardly be fairly considered without the others, and it seemed necessary to study the whole question of higher education in this region as a single problem. An added reason for this study lay in the fact that many requests,



including an official proposal from the Government of Nova Scotia, had been received by the Carnegie Foundation, from time to time, inviting a general enquiry into the educational situation in these provinces.

Without undertaking, therefore, a formal and intensive survey, the Corporation invited Dr. William S. Learned of the staff of the Carnegie Foundation and Dr. Kenneth C. M. Sills, President of Bowdoin College, to visit the Maritime Provinces and their educational institutions, to confer with those in charge of these institutions and those interested in them, and to report on the situation with a view to suggesting a constructive policy for the development of higher education in these provinces. This examination was made in the autumn of 1921, was duly reported to the Corporation, and was subsequently published in a bulletin by the Carnegie Foundation for the Advancement of Teaching under the title "Education in the Maritime Provinces of Canada." This report attracted profound attention in eastern Canada. The committee recommended therein a plan for grouping the denominational colleges of the region about a central university which might hope for the coöperation of the provincial Governments in the support of the more costly forms of education.

As a result of the deliberations growing out of the report, a committee representing all the higher institutions of learning in eastern Canada, and including representatives of the provincial Governments and of Newfoundland, has worked out a plan for the establishment of such a provincial university with which the various denominational colleges might be related. Under this plan, each college would be controlled by its own board of trustees, but all degrees would be conferred by the university, and the laboratories, libraries, and other facilities of the university would be open to the students of all the colleges. In addition, the erection of resident denominational colleges in close contact would furnish a means of education itself of the highest

value, for it would serve to energize the relation between religion and education that exists in the minds of the people. The plan proposed by the committee is essentially that now in operation at the University of Toronto, in which a Catholic, an Anglican, and a Methodist college, each working under its own denomination, are affiliated with the tax-supported university, receiving degrees from the university and participating in all its advantages and opportunities. This skilful modification of the organization of English universities is peculiarly adapted to local needs.

This plan now lies before the denominational colleges of the eastern provinces for their consideration.

The trustees of the Carnegie Corporation, after a thorough discussion of this situation, felt that it could act most helpfully at this time by recording a definite and sympathetic expression of its interest and by indicating broadly the extent to which it would eventually assist should the measure meet with the approval of the institutions themselves. Accordingly, at their meeting in January, 1923, the trustees of the Corporation passed the following resolution:

*"Whereas*, representatives of the colleges and universities and of the several Governments of the maritime provinces of Canada and of Newfoundland have agreed upon a plan whereby the facilities for higher education in these provinces and Newfoundland, now scattered and ill developed, may be made effective through federation and the creation of a strong, adequately supported central organization for the service of each institution; and

*"Whereas*, such an association of institutions would constitute an entity that could properly and profitably be aided to a large extent by the Governments of the respective provinces in the interests of the whole body of citizens, thereby providing in an economical manner facilities for university education of an exceptional character; and

*"Whereas*, the representatives of the said institutions and Governments have asked the Carnegie Corporation for an indication both as to its attitude toward such an undertaking and as to the extent to which it might find it possible to contribute;

*"Now, therefore, be it Resolved,* That the Trustees of the Carnegie Corporation express, and they do hereby express, their interest and sympathy with these far-reaching proposals, and their desire to assist in bringing a plan so sound and promising to a successful conclusion;

*"And be it Resolved further,* That the Trustees hereby declare their willingness to appropriate from the fund of the Carnegie Corporation applicable to Canada and the British Colonies the sum of three millions of dollars (\$3,000,000) for the aforesaid purpose as soon as the essential features of the whole undertaking shall have been effectively and formally agreed upon by the institutions and provincial Governments concerned."

The initial step towards the consummation of this enterprise has been taken by the University of King's College at Windsor, N. S., the oldest colonial university in the British Empire. Beginning with the fall of 1923, an agreement becomes effective between this institution and Dalhousie University at Halifax whereby King's College removes to Halifax and enters upon an affiliation with Dalhousie similar to that already described. To this dual organization the Corporation has appropriated for endowment the sum of \$600,000 with the understanding that King's College provide at least \$400,000 in the immediate future for the necessary buildings, and that the income from the Corporation's gift becomes available at once. With these fresh resources the university at Halifax can offer a considerably extended program and demonstrate to that extent the wisdom of united action.

While this great project is still uncompleted, the long consideration and study that have been given to it by the institutions and the Governments of the eastern provinces, and their willingness to accept some form of coöperation between the denominational institutions, are among the most suggestive and promising movements in education that have taken place upon this continent. Whether it comes to full fruition or not, the Carnegie Corporation feels a genuine satisfaction in lending itself to a movement which seems so reasonable and so creditable to those who conduct higher education in the maritime provinces.

## CATHOLIC COLLEGE OF ALBERTA

Action quite in accordance with that just described with respect to the maritime provinces has likewise been taken by the trustees of the Corporation in the Province of Alberta.

In this vast Canadian commonwealth there is only one university with degree-granting powers. That is the provincial university known as the University of Alberta and situated in the capital city of Edmonton.

The university is an energetic, progressive institution, and altho less than twelve years in operation, is already a powerful factor in the life of the province. It promises to fulfil in the future a constantly growing measure of usefulness.

The Catholics of the province, who constitute a large part of the citizenship, are preparing for the establishment of a Catholic college. The time has come when the question must be settled as to whether this college shall be a constituent college of the University or whether it shall be established as an independent and unrelated institution.

His Grace the Archbishop of Edmonton and the President of the University of Alberta have united to lay before the Carnegie Corporation a request for aid in the establishment of a Catholic college within that institution. A plan of affiliation has been drawn up similar to that existing between St. Michael's College and the University of Toronto. This movement seems so wholesome and so fruitful, both educationally and from the standpoint of citizenship, that the trustees of the Carnegie Corporation were glad to comply with the request of His Grace the Archbishop to appropriate one hundred thousand dollars to the establishment of a Catholic college in the University of Alberta, provided that not less than one hundred and fifty thousand dollars be secured for the same purpose from other sources.



## POLYTECHNIC INSTITUTE OF PORTO RICO

The people of the United States are absorbed in their domestic problems. They give little thought to their obligations toward the peoples who have been brought under the government of the Union through the treaty with Spain in 1898.

If there is any one of these problems that should appeal directly to the conscience of our people, it is that of education in Porto Rico. This fertile, densely populated island is destined, both geographically and by reason of its relations to other Spanish-speaking nations of the Caribbean, to play an important rôle as an outport of the United States and as an instrument in the development of the islands of the Caribbean and of the nations of Central America.

During the past year, the Corporation caused an examination to be made of the present educational situation on the Island. This examination showed that, in addition to the governmental activities with respect to education, the Polytechnic Institute, founded in 1912 at San Germán, Porto Rico, has had a notable development and is offering a form of technical training greatly needed by the people of Porto Rico. Beginning with an enrolment of twelve students, it teaches now a body of three hundred and seventy-five boys and girls, drawn from Porto Rico, Santo Domingo, and the Virgin Islands. It has established itself as the only private institution on the Island with a logical and comprehensive plan for thorough education. The academic work of the Institute begins where the rural schools end, approximately at the fifth grade of our public school work, and continues through the second collegiate year. The teaching is of good character, tho greatly handicapped by the lack of suitable equipment. The high school department particularly gives a sound training under good teachers and admits by certificate to American colleges.

Partly with the object of training the Porto Rican in manual



pursuits and partly in order to maintain and develop the school as cheaply as possible, the industrial feature of education plays a large part. Three hours of each student's day are devoted to profitable and varied labor under good supervision. In this manner over fifty percent. of the labor cost of new construction is met without direct payment of service. The attitude of the general public in Porto Rico toward the method and program of the school has been transformed from one of indifference or distrust to confidence and support.

The Institute is controlled by a board of trustees who reside in the United States. They are chosen by the Board of Home Missions of the Presbyterian Church. The school is supported wholly by student fees and voluntary contributions.

With its present physical equipment, the school cannot accommodate half of the students who seek admission, and those who are admitted work under great disadvantages through the lack of suitable libraries, laboratories, and housing facilities. In order to provide for these needs, the trustees of the school have entered upon a three-year program which involves the raising of five hundred thousand dollars, to be used partly for buildings and partly for endowment.

The trustees of the Corporation, at their meeting in April, 1923, voted to appropriate to the uses of the Polytechnic Institute of Porto Rico a sum not to exceed two hundred and fifty thousand dollars, over a period of three years, to be used in the erection of necessary buildings and in endowment, provided that for each payment by the Corporation an equal amount shall have been secured by the Polytechnic Institute from other sources toward the three-year program as projected by the Institute, and provided further that at least one-half of the total amount paid by the Corporation and secured from other sources by the Institute shall be set aside as permanent endowment.

The expenditure of income from the endowment of the Carnegie Corporation is, by the terms of the trust, restricted to the

United States, with the exception of a portion of the income that may be spent in the British Colonies. The grant just noted is, with the exception of library grants, the first expenditure which the Corporation has made in any part of the United States outside of its continental area. It is the hope of the trustees that a genuine interest in the educational progress of Porto Rico may grow up on the part of the citizens on the mainland of the United States. In such a process of education lies our great hope, not only for the happiness and well-being of the people of this wonderful island, but also for that sound understanding of our institutions which will make its inhabitants Americans in the sense of intelligent and devoted citizenship.

#### THE COMMUNITY ARTS ASSOCIATION OF SANTA BARBARA

THE trustees of the Carnegie Corporation have long had a hospitable attitude toward the development of the cultural values of art throughout the United States. In accordance with this policy, small grants have been made in the past to associations or persons engaged in art education or in the prosecution of the interests of art in various communities. President Angell, in his last report to the Corporation, urged that consideration be given to the opportunities for the encouragement of art throughout the country.

The Corporation has desired that what it may attempt in the stimulation and development of art may be directed not merely toward the assistance of formal museums of art, helpful and necessary as they are, nor of established associations of professional artists. The trustees have desired rather to assist, if possible, community effort which looks toward the diffusion and appreciation of art among all the people of the community.

Such a situation seemed to present itself in the Community Arts Association of the City of Santa Barbara, California. This

association is an incorporated body which has the following charter purposes: "To afford individuals the opportunity of self-expression, training, and education in Music, Drama, and the allied arts, and to aid in the cultural improvement of the people and in the beautification of the City of Santa Barbara." In pursuance of this plan, the Association conducts a School of Drawing and Design and has established a very successful orchestra. It produces plays in which the coöperation of all classes of the community is enlisted, and gives instruction to promote artistic expression in architecture and gardening.

While the organization had its beginning in the initiative and leadership of a group of artists and of art lovers, it has in two years acquired a membership of over one thousand and has conducted activities in the past year in which more than half of the residents of the city of Santa Barbara have participated.

These activities have been exercised through the Santa Barbara School of Arts, with more than three hundred students; through its Stringed Orchestra, giving concerts to the people which have been excellently attended; through instruction given in the planning of houses and the planting of gardens; and through the finished and artistic production of plays which have had audiences averaging fifteen hundred persons, and which have enlisted more than five hundred volunteer actors from all groups of society.

One of the most admirable features of this Association lies in the fact that, while it is led by artists of the highest training and of the highest professional standards, it has been so conducted as to be a true community effort. The Association is now engaged in an attempt to erect an attractive building which will furnish a suitable theatre for its plays, and also be used as a home for all the community arts and their activities. A large part of the expense of this building has been subscribed by the citizens of the town.

The Association is controlled by a self-perpetuating board of nine trustees, who constitute the corporation and who are financially responsible for its affairs.

In view of the promise of the organization, and in view also of the fact that the small city of Santa Barbara, of some twenty thousand persons, affords an exceptional location for testing the possibilities of such a community enterprise in the interests of art, the Carnegie Corporation, in November, 1922, voted to appropriate the sum of twenty-five thousand dollars annually for five years for the educational work of the Community Arts Association, provided that during the five-year period there be realized by the Association in gifts from other sources and from membership fees, a designated progressive increase each year over the income from these two sources during the year ended September 30, 1922.

The Corporation makes this appropriation in the belief that the situation, as it has developed in Santa Barbara, constitutes an unusual opportunity to determine whether a community movement under the ablest artistic leadership can be successfully developed in the field of art. The various divisions of the work of the Santa Barbara Community Arts Association appeal so directly to various groups of the population that one may well hope that this experience will constitute a demonstration of what can be done in enlisting the interest of a whole community in the cultural possibilities of art. In the present hurried every-day life of the American people, there can be no doubt that such a cultural knowledge of art, if widespread, will not only add to the satisfaction and to the happiness of its people, but will also contribute something to that durable satisfaction in life which brings steadfastness and self-control.

#### RESEARCHES INTO THE NATURE OF MATTER

IN 1922, the Carnegie Corporation made a grant extending over a period of five years of one hundred and fifty thousand dollars to be used in physical and chemical researches into the nature of matter. These researches are being carried on in the physical



and chemical laboratories of the California Institute of Technology in Pasadena. The study of atomic structure is under Dr. R. A. Millikan, director of the laboratory, whose work is a continuation of that which he carried on so brilliantly in the University of Chicago. At the present time some thirty men are engaged under his direction on this problem. The results hitherto obtained have been reported in a series of papers laid before the American Physical Society.

Some of these researches which have yielded information of more than ordinary interest are noted below.

The magnetic investigations conducted by Mr. S. R. Williams, in addition to bringing to light some interesting relations between the changes in the dimensions of iron and steel bars and their magnetization, have resulted in the invention of a new magnetometer which may revolutionize the making of magnetic surveys. It is a simple and easily portable instrument, capable of giving a determination, accurate to one part in ten thousand, of the horizontal or vertical components of the earth's magnetic field in a few minutes of time. It is admirably suited also to exploring the magnetic field of solenoids and electro-magnets.

The work of Dr. Millikan and Mr. Eyring in pulling electrons from cold metallic surfaces by static fields has brought out results that promise methods of great value, not only in science, but in industry. Their observations show that these currents set in from untreated tungsten at a field-strength of about 200,000 volts per centimeter and rise a billion fold as the field increases to 1,000,000 volts per centimeter. The same phenomenon of the pulling out of electrons appears to be entirely independent of temperature, but it is dependent upon the electron affinity of the surface molecules: an electro-positive molecule on the surface, for example, acting as a hole from which the reservoir of electrons inside may be tapped so as to produce a well-nigh unlimited flow.

A third interesting result has come from the experiments



of Otis, Bowen, and Millikan in establishing the existence of a penetrating radiation which apparently comes into the earth from out of space. Their experiments show that the intensity of this radiation is about one-fourth as great as had been previously supposed. The origin of these mysterious rays is being sought by experiments now in progress on Pike's Peak, and in sounding-balloon flights which have already been carried to nearly twice the altitudes reached by previous observers in experiments of this kind.

Another series of experiments that have already led to important results are the experiments of Nielson and Kazda on photo-electricity. These have cleared up former uncertainties as to the effects of surface films on the ejection of electrons by light, and have established with great definiteness and precision a critical frequency at which any perfectly clean surface begins to be photo-sensitive. The experiments bring out sharply the distinction between the electrical constants of a surface and those of the molecules or atoms composing the surface, and indicate the only method by which the work necessary to remove an electron from a cold surface can be accurately measured.

The following researches, assisted in some measure by the grant from the Carnegie Corporation, are now being carried on in the Norman Bridge Laboratory of Physics under Dr. Millikan's direction:

1. Atomic radiations in the extreme ultra-violet.
2. Measurement of the penetrating radiations of the upper air by sounding-balloons.
3. Attempt at reconciliation of the corpuscular and the wave theories of radiation.
4. The mass of the electron in metals.
5. The new and very sensitive method of measuring the magnetic properties of gases and vapors.
6. Ionizing potentials at liquid air temperatures.
7. The energy necessary to detach electrons from a clean mercury surface.

8. The change with the angle of emission of the energy of electrons ejected by light.
9. Low voltage arcs and cumulative ionization.
10. The precise evaluation of the ionizing potentials of neon and allied gases and vapors.
11. The penetration of atoms by low-speed electrons.
12. The electrostatic field-strengths necessary to pull electrons from different metallic surfaces.
13. Number of electrons detached from different atoms by shooting single alpha rays through them.
14. Energy of impact of positive particles necessary to detach electrons from metallic surfaces.
15. Analysis of the atoms of very refractory substances for isotopes.
16. Analysis of soft X-rays by magnetic-beta-ray method.
17. The stimulation of spectral lines by light frequencies other than those emitted.
18. A search for an effect of temperature upon photo-electric emission.
19. Photo-electric analysis of radiations between the X-ray region and the optical region.
20. Magnetostriction as a function of crystal-orientation.
21. Magnetic properties of sputtered cathode films.
22. Development of a very high voltage constant potential generator.
23. Direct observation of the paths of B-rays in passing through atoms.
24. Penetrating radiations on mountain peaks and in high airplane flights.
25. Measurement of the radioactivity of ordinary materials.
26. A new magnetometer.
27. A comparison of Barkhausen effects with magneto-strictive effects.
28. The laws of reflection of molecules.
29. Quantum relations in magnetism.
30. The combined Zeeman and Stark effects.
31. New series relationships in spectra.
32. Seismological and earth-tide measurements in Southern California.
33. Mobilities of ions in flames as a function of inserted salts.
34. A quantum theory of Dispersion.
35. Interference phenomena on white light when a thick glass plate is compensated by air.

GRANTS VOTED BY THE TRUSTEES DURING THE  
YEAR ENDED SEPTEMBER 30, 1923

THE following grants were, by formal vote of the trustees, allocated during the past year from the funds of the Corporation to the persons and agencies listed in the following table. The conditions determining the payments of these grants are various. It is, of course, impossible to state in advance whether the conditions upon which certain grants are dependent will be met. The following table therefore represents only the total appropriations of the year, without reference to these conditions or their fulfilment.

## GRANTS VOTED DURING YEAR ENDED SEPTEMBER 30, 1923

## SCHOOLS AND COLLEGES

BENEFICIARY	NATURE OF GRANT	AMOUNT
Alberta, University of	<i>Establishment of Catholic College</i>	\$100,000.00
Carnegie Institute of Pittsburgh	<i>Land</i>	385.96
Fisk University, Nashville, Tenn.	<i>Current expenses</i>	12,500.00
Fisk University, Nashville, Tenn.	<i>Endowment</i>	250,000.00
Fort Valley High & Industrial School, Ga.	<i>Library building</i>	12,500.00
Johns Hopkins Medical School	<i>Endowment of dispensary and clinic</i>	2,000,000.00
King's College, University of, Windsor, N. S.	<i>Endowment</i>	600,000.00
Polytechnic Institute of Porto Rico	<i>Endowment and buildings</i>	250,000.00
Toronto, University of	<i>Research in treatment of diabetes</i>	8,000.00
Wells College, Aurora, N. Y.	<i>Library stacks</i>	10,000.00
Total		\$3,243,385.96

## MISCELLANEOUS

American Child Health Association	<i>Educational activities</i>	\$10,000.00
American Law Institute	<i>General expenses (10)<sup>1</sup></i>	1,075,000.00

<sup>1</sup> Figures in parentheses indicate the number of years over which the grant extends.

## THE CARNEGIE CORPORATION

BENEFICIARY	NATURE OF GRANT	AMOUNT
American School of Classical Studies at Athens	<i>Building for Johannes Gennadius Library (additional)</i>	\$50,000.00
American Society for the Control of Cancer	<i>General expenses (3)</i>	30,000.00
Americanization Studies	<i>Supervisory Committee</i>	1,000.00
Atlanta Library Training School	<i>Current expenses</i>	4,500.00
Carnegie Endowment for International Peace	<i>Study of economic and historical aspects of the War (4)</i>	250,000.00
Carnegie Free Library, Allegheny, Pa.	<i>Rebuilding organ</i>	35,000.00
Carnegie Institution of Washington	<i>Study of effects of earthquake in Chile</i>	5,000.00
Church Peace Union	<i>Educational work (3)</i>	75,000.00
Commission on Inter-racial Cooperation	<i>Current expenses</i>	10,000.00
Community Arts Association	<i>Educational work (5)</i>	125,000.00
Emergency Committee for Non-English-Speaking Women	<i>Current expenses</i>	5,000.00
Foreign Language Government Information Service	<i>Current expenses</i>	5,000.00
Immigrant Publication Society	<i>General expenses (3)</i>	30,000.00
Institute of International Education	<i>Current expenses</i>	30,000.00
Institute for Research in Land Economics	<i>Completion and publication of researches (5)</i>	62,500.00
International Statistical Institute	<i>Scientific work of Permanent Office</i>	5,000.00
Legal Aid Society of New York	<i>Current expenses</i>	5,000.00
Lick Observatory	<i>For use of the Chile Station (2)</i>	10,000.00
Manhattan Trade School for Girls	<i>Current expenses</i>	500.00
Music School Settlement	<i>Current expenses</i>	1,000.00
National Association for Constitutional Government	<i>General expenses</i>	13,000.00
National Bureau of Economic Research	<i>General expenses (5)</i>	150,000.00
National Civic Federation	<i>Current expenses</i>	8,000.00
National Committee on Legal Aid Work	<i>Current expenses</i>	16,000.00



## GRANTS VOTED DURING THE YEAR

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BENEFICIARY	NATURE OF GRANT	AMOUNT
National Health Council	<i>Current expenses</i>	\$10,000.00
New York Academy of Medicine	<i>Building</i>	1,000,000.00
New York Public Library School for Librarians	<i>Current expenses</i>	20,000.00
Oratorio Society of New York	<i>Current expenses</i>	5,000.00
Plunkett, Sir Horace	<i>Agricultural survey</i>	2,500.00
Potter Metabolic Clinic	<i>Research in insulin</i>	15,000.00
Russian Collegiate Institute	<i>Current expenses</i>	10,000.00
John F. Slater Fund	<i>Establishment of county training schools (4)</i>	40,000.00
Special Class for Gifted Children	<i>Current expenses</i>	8,450.00
St. Paul's Cathedral, Pittsburgh, Pa.	<i>Renovating organ</i>	10,250.00
Study of Seasonal Stabilization of Employment	<i>General expenses</i>	25,000.00
Survey of University Library Service	<i>Incidental expenses</i>	1,500.00
Total		<hr/> \$3,159,200.00

## PUBLIC LIBRARIES

Merritton, Ontario, Canada (supplementary)	\$1,500.00
Stouffville, Ontario, Canada (supplementary)	1,000.00
Greensboro, N. C. (reappropriated)	<hr/> 10,000.00
Total	<hr/> \$12,500.00

## EXPENDITURES DURING THE YEAR ENDED

SEPTEMBER 30, 1923

It will be understood that in the work of an institution like the Carnegie Corporation, appropriating money for colleges, research institutions, and similar enterprises, it will necessarily happen that the expenditures in most cases do not take place in the year in which the grants are made. In some cases such grants extend over a period of years; in other cases the grants do not result in any expenditures of money by reason of the failure on the part of beneficiaries to fulfil the conditions. The budget

of such a Corporation, therefore, has to be made upon an analogous plan, taking into account provisional grants and making such disposition of the funds as to keep them in active service without committing the Corporation at any time to expenditures which it would be unable to meet. The following statement shows the actual sums paid out by the treasurer of the Corporation during the year ended September 30, 1923, both for the administration of the trust and for the payment of grants made to the various beneficiaries named below.

## EXPENSES OF ADMINISTRATION

Salaries of Officers and Employees	\$61,177.31
Rent	23,744.58
General Expenses	8,686.57
Publication Costs	4,478.12
Travel Expenses	2,883.54
Legal Expenses	2,004.60
Printing	1,774.75
Furniture and Fixtures	1,387.50
Total	<u>\$106,136.97</u>

The total cost of administration of the Trust for the past year is therefore \$106,136.97. The cost for the preceding year was \$126,326.76.

## PAYMENTS TO BENEFICIARIES DURING THE CURRENT YEAR

BENEFICIARY	COLLEGES	
	NATURE OF APPROPRIATION	AMOUNT PAID
American School of Classical Studies at Athens	<i>Endowment annuity</i> <sup>1</sup>	\$5,000.00
Beloit College, Beloit, Wis.	<i>Endowment annuity</i>	3,750.00
Berry Schools, Rome, Ga.	<i>General expenses (5)</i>	12,500.00
California Institute of Technology	<i>Research in physics and chemistry (5)</i>	30,000.00
Carleton College, Northfield, Minn.	<i>Endowment annuity</i>	3,750.00

<sup>1</sup>The term "endowment annuity" signifies an annual payment pending the fulfilment of conditions imposed for an endowment grant.

## EXPENDITURES DURING THE YEAR

63

BENEFICIARY	NATURE OF APPROPRIATION	AMOUNT PAID
Carnegie Institute of Pittsburgh	<i>Land</i>	\$385.96
Carnegie Institute of Pittsburgh	<i>Repairs and replacement of equipment</i>	85,000.00
Carnegie Institute of Technology	<i>Endowment</i>	123,900.00
	<i>Interest</i>	274,551.25
Carnegie Institute of Pittsburgh	<i>Building alterations—Interest</i>	10,000.00
Carnegie Institute of Pittsburgh	<i>Educational work—Interest</i>	12,200.00
Carnegie Institute of Technology	<i>Gymnasium</i>	150,000.00
Carnegie Institute of Technology	<i>Endowment annuity</i>	90,000.00
Carnegie Institute of Pittsburgh	<i>Endowment annuity</i>	10,000.00
Carnegie Institution of Washington	<i>Study of effects of earthquake in Chile</i>	4,090.00
Coe College, Cedar Rapids, Ia.	<i>Endowment annuity</i>	3,750.00
Columbia University	<i>School of Medicine—Buildings</i>	8,333.34
Cornell College, Mt. Vernon, Ia.	<i>Endowment of library—Annuity</i>	3,750.00
Emporia, College of, Emporia, Kan.	<i>Endowment of library—Annuity</i>	2,500.00
Fisk University, Nashville, Tenn.	<i>Current expenses</i>	12,500.00
Flora Macdonald College, Red Springs, N.C.	<i>Endowment annuity</i>	2,500.00
Fort Valley High and Industrial School, Fort Valley, Ga.	<i>Library</i>	25,000.00
Georgia School of Technology	<i>Physics building (replacing earlier grant)</i>	103,973.53
Georgia, University of, Augusta, Ga.	<i>Medical Department (5)</i>	5,000.00
Hamilton College, Clinton, N. Y.	<i>Endowment annuity</i>	3,750.00
Jamestown College, Jamestown, N. D.	<i>Endowment (Balance)</i>	3,000.00
King's College University, Windsor, N. S.	<i>Current expenses</i>	20,000.00
Knox College, Galesburg, Ill.	<i>Endowment</i>	75,000.00
	<i>Annuity</i>	2,812.50

## THE CARNEGIE CORPORATION

BENEFICIARY	NATURE OF APPROPRIATION	AMOUNT PAID
Lake Erie College, Painesville, Ohio	<i>Endowment annuity</i>	\$3,750.00
Lawrence College, Appleton, Wis.	<i>Endowment annuity</i>	3,750.00
Lehigh University, So. Bethlehem, Pa.	<i>Endowment annuity</i>	12,500.00
Mount Holyoke College, So. Hadley, Mass.	<i>Endowment Annuity</i>	75,000.00 531.25
Maryville College, Maryville, Tenn.	<i>Endowment Annuity</i>	50,000.00 2,500.00
Miami University, Oxford, Ohio	<i>Library building</i>	50,000.00
New York University, New York City	<i>Renovation of buildings (replacing earlier grant)</i>	59,045.75
Notre Dame, University of	<i>Endowment annuity</i>	3,750.00
Otterbein College, Westerville, Ohio	<i>Endowment annuity</i>	3,750.00
Park College, Parkville, Mo.	<i>Library building</i>	39,475.00
Randolph Macon College, Ashland, Va.	<i>Library building</i>	40,000.00
Russian Collegiate Institute, New York City	<i>Current expenses</i>	10,000.00
Teachers College, Columbia University, New York	<i>Research relating to the preparation of teachers (10)</i>	10,000.00
Toronto, University of	<i>Research in the treatment of diabetes</i>	8,000.00
Toronto, University of	<i>Research in the treatment of diabetes</i>	4,000.00
Tulane University, New Orleans, La.	<i>School of Medicine—Endowment Annuity</i>	837,500.00 31,406.25
Tuskegee Institute, Tuskegee, Ala.	<i>Research relating to the negro (5)</i>	8,125.00
Union College, Schenectady, New York	<i>Endowment Annuity</i>	75,000.00 3,750.00
William and Mary, College of	<i>Enlargement of library</i>	20,284.75
Wells College, Aurora-on-Cayuga, N. Y.	<i>Library stacks</i>	10,000.00
Total		\$2,449,114.58
MISCELLANEOUS		
American Academy in Rome	<i>Prize fellowships for musical composition (10)</i>	\$10,000.00
American Child Health Association	<i>Educational activities</i>	10,000.00



## EXPENDITURES DURING THE YEAR

65

BENEFICIARY	NATURE OF APPROPRIATION	AMOUNT PAID
American Classical League	<i>General expenses</i> (3)	\$10,000.00
American College of Surgeons	<i>Study of hospital standardization</i> (3)	25,000.00
American Council on Education	<i>Study of public school finance</i> (2)	25,000.00
American Federation of Arts	<i>General expenses</i>	5,000.00
American Institute of Criminal Law and Criminology	<i>Research</i> (5)	10,000.00
American Law Institute	<i>General expenses</i> (10)	50,000.00
American School of Classical Studies at Athens	<i>Building for the Johannes Gennadius Library</i>	75,000.00
American Society for the Control of Cancer	<i>General expenses</i> (3)	10,000.00
Americanization Studies	<i>Current expenses</i>	4,495.63
Association for the Study of Negro Life and History	<i>Research</i> (5)	6,250.00
Atlanta Library Training School	<i>Current expenses</i>	4,500.00
Bureau of Vocational Information	<i>General expenses</i> (3)	10,000.00
Carnegie Endowment for International Peace	<i>Study of economic and historical aspects of the War</i> (4)	100,000.00
Carnegie Foundation	<i>Endowment</i>	650,000.00
Child Health Organization	<i>Educational purposes</i>	1,250.00
Church Peace Union	<i>Educational work</i> (3)	25,000.00
Commission on Inter-racial Cooperation	<i>Current expenses</i>	10,000.00
Community Arts Association	<i>Educational work</i> (5)	18,750.00
Coöperative Education Association of Virginia	<i>General expenses</i> (3)	5,000.00
Emergency Committee for Non-English-Speaking Women	<i>Current expenses</i>	5,000.00
Food Research Institute	<i>Establishment and support</i> (10)	69,500.00
Foreign Language Government Information Service	<i>Current expenses</i>	5,000.00
Girl Scouts	<i>Educational purposes</i> (2)	5,000.00
Institute of Economics	<i>General expenses</i> (10)	200,000.00
Institute of Educational Research	<i>Psychological Research</i> (3)	15,000.00
Institute of International Education (Voted Jan. 28, 1919)	<i>General expenses</i>	30,000.00

BENEFICIARY	NATURE OF APPROPRIATION	AMOUNT PAID
Institute of International Education	<i>Current expenses for 1923-24</i>	\$10,900.00
Institute for Research in Land Economics	<i>Completion and publication of researches (5)</i>	12,500.00
International Grenfell Association	<i>Scholarships in the United States (7)</i>	5,000.00
International Statistical Institute	<i>Scientific work of the Permanent Office</i>	5,000.00
Legal Aid Society of New York	<i>Current expenses</i>	5,000.00
Lick Observatory, University of California	<i>For use of the Chile Station (2)</i>	2,500.00
Manhattan Trade School for Girls	<i>Current expenses</i>	500.00
Men and Millions Movement	<i>General purposes</i>	50,000.00
Music School Settlement	<i>Current expenses</i>	1,000.00
National Academy of Sciences	<i>Building</i>	680,140.77
National Association for Constitutional Government	<i>General expenses</i>	10,385.88
National Board of Medical Examiners	<i>General activities</i>	22,500.00
National Bureau of Economic Research	<i>General expenses (5)</i>	22,500.00
National Civic Federation	<i>Current expenses</i>	8,000.00
National Committee on Legal Aid Work	<i>Current expenses</i>	16,000.00
National Health Council (Voted Dec. 14, 1921)	<i>General activities</i>	2,500.00
National Health Council	<i>Current expenses</i>	7,500.00
National Institute of Public Administration	<i>General activities (3)</i>	15,000.00
National Research Council	<i>General expenses</i>	182,500.00
National Research Council	<i>Vocational Guidance Conferences</i>	480.31
National Urban League	<i>Research relating to the negro (3)</i>	8,000.00
New York Association for Medical Education	<i>Expenses for 1921-22</i>	12,000.00
New York Public Library School for Librarians	<i>Current expenses</i>	20,000.00
Phipps Institute, University of Pennsylvania	<i>Research relating to tuberculosis (5)</i>	31,250.00
Plunkett, Sir Horace	<i>Agricultural survey</i>	2,500.00

## EXPENDITURES DURING THE YEAR

67

BENEFICIARY	NATURE OF APPROPRIATION	AMOUNT PAID
Oratorio Society of New York	<i>Current expenses</i>	\$5,000.00
Potter Metabolic Clinic	<i>Research into insulin</i>	15,000.00
Potter Metabolic Clinic	<i>Current expenses</i>	7,500.00
Regents of the University of the State of New York	<i>Study of educational laws of New York</i>	5,554.82
John F. Slater Fund (Voted Nov. 28, 1919)	<i>Establishment of county training schools (4)</i>	10,000.00
John F. Slater Fund	<i>Establishment of county training schools (4)</i>	10,000.00
Social Service Bureau	<i>Seamen's Library</i>	5,000.00
Special Class for Gifted Children	<i>Current expenses</i>	8,450.00
St. Paul's Cathedral, Pittsburgh, Pa.	<i>Renovating organ</i>	10,250.00
Survey of University Librarians	<i>Incidental expenses</i>	150.00
Study of Seasonal Stabilization	<i>General purposes</i>	7,500.00
United Engineering Society	<i>Library purposes (2)</i>	7,500.00
Wharton School, University of Pennsylvania	<i>Industrial research (5)</i>	10,000.00
Total		<hr/> \$2,630,307.41

## LIBRARY BUILDINGS

## FOREIGN

BENEFICIARY	TOTAL PAID
Benoni, Transvaal, B. S. A.	\$13,327.50
Castries, St. Lucia, B. W. I.	3,329.71
Edmonton, Alberta, Canada	107,790.00
Glencoe, Ontario, Canada	5,000.00
Gravenhurst, Ontario, Canada	6,996.00
Hespeler, Ontario, Canada	9,572.00
Merritton, Ontario, Canada	3,800.00
Norwood, Ontario, Canada	4,011.00
Stouffville, Ontario, Canada	5,696.00
Welland, Ontario, Canada	19,052.00
Total	<hr/> \$178,574.21

## UNITED STATES

American Fork, Utah	\$3,500.00
Elmira, N. Y.	50,174.00
Greensboro, N. C.	5,156.00
Lake City, Minn.	1,500.00
Lapeer, Mich.	4,840.00
Marlette Township, Mich.	746.00
Milo, Me.	5,500.00
New Haven, Conn.	799.00
New York, N. Y.	36,000.00
Philadelphia, Pa.	15,000.00
San Francisco, Calif.	620.00
Smithfield, Utah	718.00
Verona, N. J.	10,487.00
Washington, D. C.	27,000.00
Total	<u>\$162,040.00</u>

HENRY S. PRITCHETT  
*Acting President*

*December 1, 1923*



